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NATIONALISATION OF THE MINES

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BY

FRANK HODGES

Secretary of the Miners' Federation of Great Britain

WITH FOREWORD

BY

THE RT. HON. JOHN R. CLYNES, D.C.L., M.P.

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TO

THE TOILERS

OF THE UNDERWORLD

AND

ROBERT SMILLIE

FOREWORD

By The Rt. Hon. JOHN R. CLYNES, D.C.L., M.P.

Of the making of books there is no end. But few of them deal with the daily toil of the nameless Nobodies who make up the millions of our industrial population. The poet has sung of the blacksmith in the village, and the painter has portrayed the drudge at the plough. These are artistic backgrounds to distressing industrial realities which have seldom provided a theme for the pen of popular authors.

We may sing of the soldier and the sailor, but seldom of the men who toil at the forge, or hammer the plates in the shipyard. The world of romance and sentiment is far removed from the world depicted in this book. It is a book of the real underworld. It does not ask us to weep over the graves of miners sent to their doom in hundreds when we are shocked by some terrible explosion. It commands attention for the every-day conditions of the men who

at their peril dig for the first essential of British industry—Coal.

In this service for industry the author shows that one miner is killed every six hours, and another is injured every three minutes. Dangerous as are the pursuits of many wage earners, they are at their worst safer than the conditions of the miners at their best, and " the risks of capital," which at times are real, are as nothing to the risks with which the winning of coal surrounds human life.

The case of Nationalisation is argued in these pages on grounds of national interest, and many who fear that national ownership would diminish production will find themselves answered with a case that goes far to prove that not less but greater output of coal would arise from the system of ownership and management supported by the author. National ownership is advocated not for a trade, or a class, or a sectional benefit. Gain for the community inspires the demand made for immediate changes in both the terms of service, and the conditions of ownership of this great property.

Minerals were not made by man. Mines are part of the great store of mineral wealth which man should inherit. Private ownership in these stores has not conferred either upon the trade or the community the advantages which should be derived. The strength

of the miners' case rests, not upon what is promised from the change, so much as upon the lamentable results with which we are faced in the history and experience of private ownership. The results are a convincing answer. The life standards, the homes, and the colliery conditions of men who give this indispensable toil, afford the most crushing case against the continuance of the present system. The case rests upon broad human grounds, as well as expediency, and it is argued from the standpoint of high public policy and not from a motive of class interest.

In a comparatively few years of service the author of this book has placed us under an obligation by his work, and brings new qualities and energy to the store of experience and courage revealed by a long line of Miners' Leaders, who, after the most bitter struggles, are approaching a stage where they will have placed this great army of underworld workers in a position not inferior to that of any other class of the wage-earning population.

Men who may feel that the miners' struggles for better conditions are a handicap to other trades are forced now to try and understand the miners' purpose, and to examine their claims. Critics may assail their leaders, but they cannot deny that one glorious result from their years of effort in organisation has led the miners out of

conditions which were akin to slavery into a position where they can compel attention because their service provides the foundation for the trade and commerce of Britain.

The Miners always had a strength which only in recent years has been fully revealed. Their strength lies behind the fact that however much we may mourn the demands which they make, we will not go down the pits to take their place. This strength is enormously increased by the plea which Mr. Hodges puts before us.

AUTHOR'S PREFACE

THESE are days of fierce polemics, bitter controversy, political partisanship, and clash of industrial interests. In Britain, as elsewhere, the principal points around which the protagonists circle are economic in their character. The economic position of the Coal Industry arrests the attention not only of the principal combatants, mine owners and miners, but the fiery glow of the contest attracts the casual passer-by as few other contests have done in the world of industry. Proletarians, professors, politicians flit about in the outer circles, watching, waiting, quarrelling, sometimes assisting, sometimes impeding the general progress of the battle. In such an atmosphere it is difficult for one of the many combatants to withdraw temporarily and attempt to set down the reasons for the fight.

At the moment of writing the struggle rapidly approaches its zenith, but the writer hopes that this little work, hurriedly written in intervals of retirement from the conflict,

will elucidate the position of the coal industry as it now is and also the proposals put forward by the miners in relation thereto. The average political considerations have not animated the writer in preparing this work for the general reader. The primary reason is economic. The coal industry occupies so important a place in our industrial and economic life that one is continually forced to an examination of its foundations and general structure in order that we can assure ourselves of the general economic well-being of all dependent industries. Political view-points are many and varied, but in the main they approximate to and are influenced by economic forces. If the economic basis of our political and social life is unsafe then it appears to be essential to direct attention to the fact that unless the defects are rapidly remedied all our political and social superstructure will come crashing down.

The social misery consequent upon such a fall provides in itself an irresistible impulse in many men to leave no stone unturned to prevent such a catastrophe. The whole question is one of method. Many defects are universally admitted, whilst remedies are almost as numerous as the defects.

If the remedy set forth in this book for the ills of the industry could be proved to be less effective than any other that may be

proposed, then the writer gratefully feels that his mind is still receptive enough to prevent him falling into the appalling position of rejecting it because it is new.

For the reasons set forth in this little book no other remedy except that of National Ownership of the entire industry, with joint control by the full personnel of the industry and representatives of the whole community, seems to be complete.

Expecially is that the case when human personality is under consideration. The last two chapters are devoted almost exclusively to this phase of the problem. We are confronted with an increasingly educated working class; a class which more and more rejects the imposition of external will and authority over it; a class which yearns for the status of responsible manhood in industry and which rebels against any cramping institution which thwarts its aspirations for freedom. The purpose of life is becoming more generally manifest as the enjoyment of freedom. For generations it has been believed by the working classes that the only institution which stood in the way of freedom was political in character. The freedom of political democracy is a magnificent accomplishment, but it is now realised that the slavery of industry is harsher than the slavery of the unenfranchised serf. Hence the impulse of industrial freedom. The

struggle to shake off the imposition of external wills because the instruments of production are owned by the possessors of such wills is the most remarkable phenomenon of the age.

Those who resolutely decline to take cognisance of this fact are ill-equipped to make provision for Britain's future, or, for that matter, of the future of any modern country.

If it appears that this point is unnecessarily stressed in these pages, it is due to the fact that it is the principal problem of the period from the writer's point of view.

F. H.

London,
February, 1920.

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NATIONALISATION OF THE MINES

CHAPTER I

INTRODUCTORY

Society rarely concerns itself with the position of this or that commodity in the industrial scheme of things. It takes a great deal for granted. It takes it for granted that commodities will come to it with almost mechanical regularity, an assumption only abandoned when a strike, a bad harvest, or war, reduces supplies or cuts them off altogether. No living person can remember the time when Britain was completely without coal for use. There have been shortages caused by strikes in the various county coalfields, and by the one great National Strike which took place in the spring of 1912, when practically every mine in the United Kingdom ceased to produce for a period of six weeks; but even in the latter case there were still some

supplies of coal available at the end of the strike from accumulations which had been allowed to take place in various coal depots, gasworks, and factories.

It is only when such temporary shortages take place that people depart from their complacency and seek to understand, albeit superficially, the processes of human effort which result in the cheerful hearth, the lighted room, and the thousand and one amenities which round off our modern material life. It is natural that this should be so—indeed it is difficult to imagine any other sort of relationship. Life itself is too short to enable one to devote attention to all the laws and operations which result in having the almost limitlessly varied commodities of life placed before us ready for use. The pursuit of knowledge for its own sake is limited by considerations of time, space, and environment, as well as those of heredity and social position, and it has to be subordinated to the pursuit of life. Occasionally, men are interested in the technical processes of a particular industry. Scientists, in the pursuit of scientific knowledge, study not only the phenomena relative to a particular phase of human activity, but all associated phenomena. The economic view described as *laissez-faire* is an expression of man's limitations rather than of man's capacity. It can be summed up in the

phrase, "The business of life is for every man to mind his own business"; but it is now recognised that to mind one's own business in the economic sense is positively disastrous to a business man, for to some degree he is compelled to study the other fellow's business if he desires his own to succeed. True, many considerations prevent him from making an exhaustive study or taking a complete interest in undertakings outside his own influence and control, and he is compelled for the most part to take things for granted in the hope that the totality of human effort will result in a kind of fortuitous stability which will permit the continuance of things as they are. For example, the boot manufacturer, or the boot operative, does not burden himself with anxiety each spring as to whether the field labourer will plough the land and set the seed which will result in his bread supply in the following year. He relies upon the proved fact that the same urge, the same will to live, impels, and will impel, the field labourer to work on the land as he has always worked—for his own daily bread.

And so with coal. In our childhood we accepted it as a commodity which had come to our homes, and which had entered into industry during all past ages. That it had to be bought and was dear was a later and less pleasing revelation. Its geological origin,

its quantities, its powers and potentialities, its history and method of production, and its place in our industrial life, have only been made known to a comparatively small number of people, and the knowledge they have acquired is admittedly incomplete. As we shall see later, *laissez-faire* has characterised its production and distribution, just as it has characterised those of other commodities, except that its production has been more markedly haphazard and unco-ordinated than has been the case with most other commodities. Despite the absence of knowledge on the part of those who consume the coal, and the still limited knowledge of those who produce it, this much must be admitted—that coal is the base of Britain's commercial prosperity. How far it provides the foundation for the modern world's commercial achievements has not been ascertained, but that it has profoundly influenced all economic life is generally agreed.

Before coal came into general use Britain was a pastoral or agricultural country. The farm labourer was the man of the greatest importance, and he still is the man of the greatest importance in the world's work, for the tiller of the soil must exist long after the world's supplies of coal and oil have been used up. As far back as the thirteenth century it is recorded that coal

was dug from outcropping seams in Scotland, Northumberland, Durham, and the Midlands, and that it was known to the Roman occupants of these islands can be proved from the cinders which have been found amongst Roman ruins in several parts of the country. Human knowledge, however, was too limited in those remote days to enable men to appreciate fully the value of coal. Even in these modern times its full possibilities of service to man are not completely understood. When it was used in the past it was principally devoted to smithy work and lime-burning, for our forefathers conceived a great prejudice against its use for domestic purposes—a prejudice shared, curiously enough, by scientific men of to-day, in, however, a slightly different fashion. For in the latter case the prejudice is born of the knowledge of the prodigal waste of coal consequent upon its use in the domestic hearth, and in the world of industry. Wood and charcoal were the principal sources of energy in the sixteenth century. Richard Fynes, the historian of the Northumberland Miners, quoting from Stowe, says that "the nice dames of London in the early part of the sixteenth century will not come into a house or room where sea coales are burned, nor will they willingly eat meat that has been sod or roasted in a sea coale fire." The term "sea coale" in all probability had

its origin in the fact that the coal was washed up on the shores of Durham and Northumberland by the tides from the outcropping seams under the sea in that area.

Licences to dig coal were granted by kings, for King Henry III and King Edward III granted licences which are still extant. Parliamentary opposition was, however, forthcoming when these licences were granted, and it is recorded that our early legislators issued proclamations against the use of coal, imposed fines, and also caused to be destroyed the furnaces and kilns in which coal was then used. It was not a great stride, though a very difficult one, from those days to the time when the trade in coal grew to admit the use of sailing ships to supply both England and France with coal. In the year 1662 the vend had increased to 14,420 tons from the port of Newcastle, and by the year 1776 from the port of Newcastle alone 260,000 chaldrons were shipped to London, 90,000 to other British ports, 2,000 to the British Colonies, and 28,000 to foreign ports, making a total in one year of 380,000 chaldrons.

What a change in the year 1913, when the coal industry of this country yielded no less than 287·4 millions of tons, 90 million tons of which were exported! The history of the development of the coal trade is the most fascinating of all industrial histories, and its

technical development is one of the most interesting phases of technical evolution. It shows how the coal trade has grown up and has become the key to all other industries, but it is also true that its history is a history of suffering and calamity to those engaged in it and to their families and dependants, suffering and calamity without parallel in any other industry except seafaring. If coal is, as an eloquent politician recently described it, "the life blood of industry," it is more literally true to say that it has spilt more blood than any other industry. Apart altogether from its value as a gift of Nature it should be regarded as precious, when viewed in the light of the immense loss of human life which has been incurred in its production during the past seven hundred years.

Its importance in the history of this country can be better realised when it is remembered that it abolished the use of wood and charcoal as the source of heat and energy; that it was the cause of the invention of the atmospheric engine and the locomotive engine; that it is always the prime factor in the progress of the iron and steel trades; and that it was responsible for the revolution in shipping, which has brought Great Britain to the first class commercial Power she now is. It has brought power and illumination to our cities and homes; it has brought chemical products to the aid of man,

and will bring still more chemical products when it is properly used. In short, it has done more to change the character of our material life, and consequently our civilisation, than anything else.

We now have correct figures which show its place in our industrial hierarchy, and the following Table (taken from the Report of the Coal Conservation Committee of the Committee on Reconstruction) will show its exalted position more than anything else:—

TABLE I.

SUB-DIVISION OF HOME CONSUMPTION.

	Estimates from Coal Commission Report.	Estimates based on *pro rata* increase, except where more definite figures are available.	
	1903.	1913.	
	Tons.	Tons.	Value at 10*s.* per ton. £
Railways	13,000,000	15,000,000	7,500,000
Coasting steamers (Bunkers)	2,000,000	2,500,000	1,250,000
Factories	53,000,000	60,000,000	30,000,000
Mines	18,000,000	20,500,000	10,250,000
Iron and steel industries	28,000,000	31,000,000	15,500,000
Other metal industries	1,000,000	1,250,000	625,000
Brick works, potteries, glass works and chemical works	5,000,000	5,750,000	2,875,000
Gasworks	15,000,000	18,000,000	9,000,000
Domestic	32,000,000	35,000,000	17,500,000
Totals	167,000,000	189,000,000	£94,500,000

It is suggested in certain quarters that sooner or later oil will displace coal from its

present important position in regard to industry, but this is a matter of conjecture only, as no geologist would dream of stating in the present stage of investigation and scientific thought that the quantities of oil in the earth are in excess of the ascertained quantities of coal. It must, however, be stated that coal, like oil, once it has been extracted from the earth and used, cannot be re-created by Nature, and in this respect both differ from other commodities which Nature yields to man, upon man's application mentally and manually to her. Year after year, century after century, Nature, in response to man's activities, brings forth wheat, barley, oats, vegetables, fruit, wood, and she will probably continue to do so until the end. Wool and the skins of animals can be used for providing clothing and shoes for mankind as long as man cares to rear cattle and sheep, but in the case of coal, oil, and other minerals, once they are consumed no effort of man can replace them, for Nature, who laboured for æons to produce them, rested after her long travail, never again to take up her work in the same way.

We have already used much of her great gift, for it is estimated that from the year 1800 to the year 1919 we have taken from the earth no less than 14,055,686,000 tons of coal, as shown in the following table :—

TABLE II.

(Taken from "The British Coal Trade," by H. S. Jevons, and Government Returns.)

	Total output. Tons.
Prior to 1800	850,000,000
1800 to 1850	2,000,000,000
1851 to 1853	153,000,000
1854 to 1913	9,574,133,000
1913 to 1919	1,478,553,000
Grand Total	14,055,686,000

At this rate of exploitation the amount produced so far is just 6 per cent. of the total amount available in these islands. This quantity has been set down by various authorities at different amounts. In the Report of the Coal Conservation Committee the following table is given :—

TABLE III.

ESTIMATES OF RESERVES OF BRITISH COAL WITHIN 4,000 FEET OF THE SURFACE.

	Million tons.
First Royal Commission, 1871	146,480
Second Royal Commission, 1905	141,635
Dr. Strahan, 1912	178,727
Mr. H. S. Jevons, 1915	197,000

It will be seen that the estimate of Professor Jevons is the most recent, but it is not the most authoritative. The estimate of Dr. Strahan, the eminent geologist, is the more correct. However, as pointed out in the Report of the Committee, the essential question is not the actual amount of coal in the earth's crust, but that amount which can be

produced at an economic cost, which will keep us in a relatively equal position with the coal producers in other countries. It can conceivably occur that coal may be placed in such inaccessible positions in the earth that even the growth of scientific attainment in the future will not permit it to be brought to market at anything like an economic cost, especially from the deeper and more disturbed measures in the earth.

It is estimated that the world's supplies of coal of all descriptions is over 7,000,000 million tons, whilst our share of that total is only 3 per cent. We thus see that we are not so favourably situated in regard to the rest of the world as we sometimes fondly imagine. America, China, Germany, and India will all have coal at their disposal long after ours has been exhausted, and though this may not appear to be a matter of grave concern to those of us who live to-day, it will be a matter of concern to posterity, and the thought which comes to us when these facts are properly understood is: Have we the right to waste this commodity, either in production or in consumption, regardless of the claim of our children to an equal share with us of the gifts which have come to us, not through our own efforts, but by the efforts of Nature herself? In subsequent chapters we shall analyse in detail this important consideration.

CHAPTER II

HOW COAL IS PRODUCED

Coal is now produced in England, Scotland, and Wales. Some is produced in Ireland, but in such small quantities that Ireland cannot at present be regarded as a coal-producing country. It is often a convenient method to subdivide the coalfield into districts. This is done by the Government for the purposes of administration of the Coal Mines Regulation Acts, and by the colliery owners and the workers employed in the industry for their own purposes. This division has arisen to some extent from geological reasons, as in many cases the coalfields correspond to certain county or geographical areas and do not extend beyond the limits of those areas; and thus, for geographical reasons and from tradition, we have the following districts:—Scotland, Northumberland, Durham, Cumberland, West and South Yorkshire, Midland Counties (Nottinghamshire and Derbyshire) Lancashire and Cheshire, Leicestershire, South Derby-

shire, North Staffordshire, South Staffordshire, Cannock Chase, Warwickshire, Derbyshire and East Worcestershire, Forest of Dean, Bristol, Somerset, Kent, and Monmouthshire and South Wales.

Coal is worked in these districts by no fewer than 3,300 collieries, operated by 1,452 companies. Its production is carried on by these companies independently and without any combination or co-ordinated plan, and in the main by such methods as the particular company deems best for the production of such quantities of coal and at such a cost as will enable it to secure the speediest and greatest return upon the capital invested. In certain cases it may be said with truth that colliery companies have adopted the plan of sinking capital into a concern upon which no dividend can be paid for a number of years. Such collieries may be well laid out and planned, and the plant may be scientifically arranged, years before production results in any profits upon the initial outlay. This is due to the fact that the shareholders in such companies are influenced by the best technical knowledge and advice of men whom they appoint to hold responsible positions in the undertaking, such as managing directors, colliery managers, colliery agents, engineers and surveyors, whose knowledge of the mining industry is about to be exploited. They recognise that a greater return

upon their capital can be secured within their lifetime if they are prepared to wait for the scientific development of the colliery rather than demand a quicker, though on the average a lower, rate of profit upon their invested capital. Other shareholders in companies which comprise the vast majority of colliery undertakings, though well advised to the contrary, demand a quick exploitation of the seams without the necessary outlay of capital on scientific plant, in order to get an immediate return upon their investment. This may be due to the state of the market, or to the fact that the capital invested forms a higher proportion of the capital sum owned by the investor, who cannot afford to wait long for interest on his investment. Whether the capital invested be scientifically used, or whether the coal will be exploited in the most efficient manner or not, the underlying implication is that the investor hopes to secure within his lifetime the greatest possible return upon his capital outlay.

As a consequence of each particular company operating in this individual manner, the seams of coal are exploited in a variety of ways, and with ever varying results. Each company has, in the first instance, to negotiate with the owner of the minerals for the right to work them. The owners of minerals, who have gained possession of them in many different ways—some by

inheritance, some by purchase, and others by means which neither legal nor historical investigation can properly determine—have only in comparatively few cases worked the minerals which they claim to own. It has been the almost invariable practice for the owner, when coal has been proved to exist under his land, to lease the coal if satisfactory terms can be arranged with the industrial capitalist. It is estimated that no fewer than 4,000 of such mineral owners have leased their property to industrial capitalists, and as there are only 1,452 colliery companies, it is at once seen that each company may have to negotiate terms with a number of separate mineral owners, whilst a number of collieries are working minerals owned by more than one person.

The charge or rent which the owner obtains from the industrial capitalist for the right to work the coal is known by the popular name of "royalty" and the total amount of royalty paid in the year 1918 was no less than £5,960,365. Taken over a period of years it may be said that this royalty rent amounts to something like £6,000,000 per annum. The amount charged varies as between owner and owner and ranges from 4*d*. per ton produced to 10*d*. per ton produced. In other cases the payment is based upon a sliding scale and varies with

the fluctuations in the price of coal sold in the open market.

This process of separately leasing the minerals to several colliery companies has been one of the most prolific sources of waste in the industry, for it operates in every district mentioned in the foregoing table. The greatest source of such waste lies in the practice of leaving barriers of coal between the properties of the different mineral owners. Such barriers are not necessarily left to prevent surface subsidence, and thus save from ruin the property built on the surface of the land, or to prevent water breaking through from old workings and flooding the newer mines, with the possible loss of a number of human lives, or for maintaining adequate ventilation, though these are the only scientific reasons why "barriers" should be allowed to remain in the earth. The total amount of coal estimated to have been left in these barriers is between 3,500,000,000 and 4,000,000,000 tons. It is perfectly true that some of these "barriers" could not have been worked without considerable risk either to the surface or to the underground workings, but it is the lack of co-ordination as between one mineral owner and another, and, consequently, between different colliery owners, that makes it impossible to undertake those scientific surveys which alone can correctly

determine which "barriers" should be worked and which should be left in the earth.

The real reason why most of these barriers are left in the earth, however, has been the selfishness of the owners of the minerals, who have been unable to determine the true line of demarcation which should exist between their property and that of a neighbouring mineral owner. The terms embodied in the lease have made provision for certain quantities of coal to be left in order to prevent the possibility of the minerals claimed by one owner being exploited for the benefit of the man who claims the adjoining taking. The loss which arises through this method of exploiting the coal is a loss which is irrecoverable. The coal that has been left in the earth has been left there for ever. In future, when the available coal is steadily declining, whatever the form of exploitation may be, these narrow barriers of coal can never be economically recovered. Even if the mines are taken over by the nation in these days, it would be an obvious waste of national capital and national effort to sink shafts into these narrow barriers, which may not be more than fifty yards wide, but which, taken in the aggregate over all seams, amount to several thousand millions of tons.

That this is a form of waste which the colliery owners themselves regard as unnecessary is proved by the fact that their

representatives on the Coal Industry Commission, 1919, recommended to the Government that the minerals as a whole should be owned by the nation, so that their exploitation might move along scientific lines in the future interests of the colliery owners themselves. The refusal of the royalty owners to grant wayleaves, which is another way of stating their refusal to grant permission to take the coal in the most economical manner from its original place in the seam to the wagon on the surface, and restrictive covenants against sinking shafts where they could be most economically sunk are great drawbacks to the industrial capitalists, and the latter are prepared in the interests of industrial capital to remove them once and for all. The Government have intimated that they, too, recognise the waste and drawbacks of this system of leasing the minerals of the country, and have expressed their intention to bring forward a legislative measure which will replace private ownership by national ownership.

Not only has this unscientific method of exploiting the coal caused by individual and separate ownership of the minerals resulted in great loss, but yet another and clearly more important result of separate ownership and individual production is now brought to public notice. Only comparatively few collieries have developed systems of washing

their coal at the pithead so as to make it an economic proposition to bring all the coal yielded from the seams to the surface. There has been, and still is, an enormous waste of coal, due to the fact that the small coal is left in the mine, being cast back into the rubbish which is left in the workings. As a consequence it is estimated that not less than 2,325,000 tons are cast back in the mines every year in the following districts alone :

Coalfields.	Tons.
Nottinghamshire and North Derbyshire . .	574,000
Leicestershire and South Derbyshire . . .	184,000
Warwickshire	65,000
South Wales and Monmouthshire	1,502,000
Total	2,325,000

Small coal is cast back into the mines in other districts, although not to the same extent, and where it is unwittingly cast back large quantities are lost underground because it is mixed up with the rubbish yielded in the production of the large coal and is unmarketable from those collieries where there is no washing plant. As the thinner and more friable seams of coal come to be worked, a greater proportion of small coal will be produced to large coal, and unless a system of scientific washing of coal is developed at each colliery far more rapidly than at present the loss will be much greater in the future than now.

Is this loss an inevitable consequence of

coal mining ? Is this small coal not required in the market ? Has science not yet been able to utilise it to the fullest advantage ? The answer to these three questions is in the negative. Science has already shown that no particle of small coal ought to be wasted. The industrial capitalist now knows that it need not be wasted. Each atom of small coal contains, proportionately to its size and weight, the same chemical properties as large coal. Careful investigation of this question reveals that, standing in the way of the proper use of small coal, and the cause of its loss to the nation, is the unwillingness of the industrial capitalists to expend money on the plant necessary to secure its proper utilisation, and thus secure for mankind its chemical constituents. This would indeed involve expenditure which the individual colliery owner is either unwilling or unable to lay out, for if he had to borrow money for the purpose the interest that he might have to pay might conceivably swallow up the dividends which he would obtain from the capital so expended. In the nature of things, small collieries, of which there are many, cannot erect the necessary plant for the scientific treatment of small coal. Other colliery companies treat it scientifically, where they have money at their disposal for the necessarily heavy expenditure involved, and where they can afford to wait for a

return upon their capital, though such return be long delayed.

In addition to the loss of coal as mentioned above, there is the additional loss due to certain factors—a loss, however, which might be avoided in the future if a drastic change were introduced into the methods of working the coal. These losses are described in the Report of the Mining Sub-Committee of the Coal Conservation Committee and may be set out as follows :—

A large amount of coal is lost annually through the use of inefficient plant for its extraction from the refuse or dirt at the pithead. The amount of coal so recovered in 1918 was only 4·7 per cent. of the refuse handled, although in Lancashire the percentage recovered was 8·31. In Scotland it was only 1·15 per cent. This variation is undoubtedly due to the fact that inefficient plant for the purpose is in use in Scotland.

There is also the loss due to the method of working the seams of abnormal thickness in South Staffordshire and Worcestershire. Mr. F. G. Meacham, giving evidence before the Royal Commission on Coal Supplies, 1903–1905, estimated that the loss due to the present methods of working this thick coal would be 40 per cent. or 115,200,000 tons in a seam 24 feet thick spread over 10,000 acres.

Water-logging is another cause of great

loss of coal to the nation. No estimate of the total amount of coal so lost has yet been put forward, nor is there an estimate of the amount of coal which might be recovered from water-logged mines if a central pumping station were erected. But that the loss has been considerable and that a considerable amount might be recovered if proper systems of pumping were put into operation is generally agreed. There are cases, such as the South Staffordshire coalfield and the Nailsea district of Bristol, where areas of coal are permanently abandoned, but it has been suggested that where the coal is only temporarily drowned efforts on the part of the various colliery companies for the erection of central pumping plant might result in a large quantity of coal being recovered and profitably worked. In the case of South Staffordshire this has been to some extent demonstrated, but an Act of Parliament, known as the South Staffordshire Mines Drainage Act, 1873, had to be passed in order to compel the owners and the occupiers of the mines in that district to co-ordinate their efforts and establish a central pumping plant for the purpose of dealing with the water in the mines in that area.

Then there is the loss due to the top and bottom coal in certain seams being left underground. This loss is due to the fact that the seam of coal is either too thick or

too thin to be worked in its entirety. In any case the evidence points to the fact that whether the seam of coal is abnormally thick, or is divided by thick layers of stone, which result in only one portion of the seam being worked, the coal is lost because the cost of its effective exploitation is considered too high. It has often been argued that the leaving of certain kinds of coal in the mines is due to its unmarketable character, but modern science does not regard a single atom of coal as unmarketable, and this argument is no longer valid.

Finally there is the loss due to the method of working the coal, and the loss due to spontaneous combustion underground. The view is being increasingly held by mining engineers and by men of practical experience that if the method of working known as the " retreating " system were in general operation, the loss due to the unscientific method of leaving pillars of coal of inadequate size underground and the loss due to spontaneous combustion would be largely overcome. In the " retreating " system, once the boundaries of the colliery have been properly defined, the roadways or headings are driven to the limits of the taking before any large quantity of coal is produced for the market. The coal is then worked back towards the pit bottom, instead of as at present away from the pit bottom to the boundary. This change would

in itself revolutionise our present methods of mining and would effect undreamt of economies. The alleged reason why this method is not generally adopted by colliery companies is that it limits the possibility of extending the taking after the lease of the original taking has expired, but the real reason is undoubtedly that the deferment of interest upon capital investments in the company would be too long to suit the average investor. It certainly would mean that profits would not so rapidly accrue upon the capital outlay, though in the long run, and taking the life of the colliery as a whole, the profits would be considerably greater.

To recapitulate, therefore, we have ascertained that 4,000,000,000 tons of coal have been lost for ever largely through the coal being the legal property of different owners, and having been leased by them in an irregular and unco-ordinated manner to the industrial capitalists. Small coal has been allowed to go to waste because the capitalist has not been prepared to lay down the proper plant at the colliery for the purpose of scientifically using it, and small coal to the extent of $2\frac{1}{4}$ million tons is lost annually through the use of inadequate machinery for separating it from the rubbish and refuse at the surface, inefficient methods of working, and water-logging. These are all sources of loss and in the aggregate involve an enormous

loss to the nation, but while, of course, the whole of the coal lost up to the present cannot be recovered, it is within the possibilities of mining engineering and science to recover some of it by newer operations.

Such operations if permitted to be carried on will add to the length of life of our coal supplies, and, more important still, the mining engineer and the scientist could secure that in the development of the new fields which have already been discovered, and those that may be discovered in future, the shocking waste of the past be avoided, provided that a fundamental change takes place both in the ownership of the minerals and in the ownership and administration of the industry. With this, however, we shall deal later.

CHAPTER III

HOW COAL IS CONSUMED

We have now placed sufficient facts before the general reader to enable him to understand how hundreds of millions of tons of coal are wasted in production in the mines themselves, but such waste, great as it is, is incomparable with the waste in consumption once the coal has reached the surface.

Always keeping in mind that there are 1,452 colliery companies, for the most part worked without any unification of plan or policy, we are better able to understand that the loss or waste begins at the collieries themselves. Power has to be raised for the further production of coal from the mines, but except in very rare instances the coal consumed for the production of power at the pit is consumed in very inadequate or extravagant steam-raising plant. The reason for this is shown in the words of the Report of the Mining Sub-Committee of the Coal Conservation Committee, as follows :—

"The replacing of old by modern plant is more difficult in the case of the small undertakings, which are very frequently hampered by inadequate financial resources, and it is in connection with these small undertakings that the greatest loss in the consumption of boiler fuel takes place."

It is estimated that the average annual consumption of coal at the collieries for boiler fuel is no less than 6·2 per cent. of the total amount of coal produced, or about 17,000,000 tons per annum. That this consumption is unnecessarily high is shown by the fact that the Royal Commission on Coal Supplies, 1903–1905, came to the conclusion that 5 per cent. of the total output ought to be adequate for the production of power at the collieries; and this figure does not take into account the fact that any consumption of coal at the collieries which does not provide for securing the chemical constituents of the coal is a riotously extravagant process of consumption.

It is the loss due to consumption of coal at collieries and in general consumption which makes it imperative that the backward and small collieries should go out of existence as separate concerns in order that by more comprehensive administration and control the industry could effect those vital economies so necessary to its continued existence.

But the economy at the collieries themselves caused by scientific consumption of

coal is small compared with the economy in coal which could be effected if all electric power could be generated throughout the country from the super-power stations suggested by the Electric Power Sub-Committee of the Coal Conservation Committee.

Let the Report speak for itself :—

" The coal consumption involved in the production of motive power in the United Kingdom amounts at the present time to 80,000,000 tons per annum, equivalent in value to, say, £40,000,000 at pithead."

Note.—This figure on present-day values would be at least £80,000,000.

" In the industrial reorganisation which must take place on the termination of the war, the further development of power is of great importance. The present use of motive power per employee is only about half that in the United States of America. Large quantities of electrical power will be required for the development and carrying on of new processes not at present undertaken in this country. Processes involving some millions of horse power at present worked in America, Norway and Sweden, Germany, etc., can be profitably carried on, and, having in view the desirability of making all essential products in the Empire, should be carried on in this country."

" It is only by largely increasing the amount of power used in industry (by two or more times) that the average output per head (and as a consequence the wages of the individual) can be increased. The pre-war earning power, or wages, of each individual was far too low."

"Power may be most efficiently applied to industry by the medium of electricity."

"Technically and economically the electrical energy can be best provided by a comprehensive system, as amply proved from the experience gained in those parts of the world where such systems are in existence, notably in Chicago (Illinois), on the north-east Coast of England, on the Rand, and in certain industrial districts of Germany. Power production in large super-plants, with generating machines of 50,000 h.p. or more, will not only be far more economical than in a large number of smaller plants, but will ultimately involve great economies of capital by securing a better load and a more effective use of the plant. Such super-plants, if suitably situated on large sites, would make it possible—so far as it is economical to do so—to extract the by-products in the shape of oils, motor spirits, etc., from the coal before using it as fuel, thus avoiding to a large extent the necessity of importing them."

"The super-plants would feed into the main trunk distribution system which must be laid down throughout the country. For this purpose the country should be divided into some 16 districts, throughout each of which there should be a standard periodicity and trunk main voltage."

"This main trunk distribution system would collect any waste power available wherever situated and deliver it where it could be profitably used. It would also, by saving the cost of transport, make it commercially possible to bring much coal to the surface which is at present wasted and left in the pit, and which, under the new conditions, would be turned into electrical energy at or near the pithead."

"If power supply in the United Kingdom were

dealt with on comprehensive lines and advantage taken of the most modern engineering development, the saving in coal throughout the country would, in the near future, amount to 55,000,000 tons per annum on the present output of manufactured products."

" If the coal so saved were used for the production of further power it would be possible to generate continuously not less than 15,000,000 horse power (equivalent to 131,400,000,000 horse power hours) which would more than compensate for the absence of large water powers in this country and admit of the manufacture here of many products which are at present only made in America and on the Continent."

" By locating either the main or supplementary plants at or near the collieries, much coal that is now wasted or left in the pits could be profitably utilised, and the coal which would otherwise be burned to transport the coal used would also be saved."

" By-products obtainable from the coal before it is consumed in the boiler furnace, or producer, could be extracted in any case where it is proved to be economical to do so. These by-products may be of as great value to the country as the fuel residuum, for nitrogenous fertilisers, crude oils, oils for marine propulsion, and motor spirit for the road traction can all be extracted from coal."

The Government Electricity Bill was brought forward for the purpose of giving effect to the foregoing recommendations, and was designed for the purpose of providing for the erection of super-power stations at suitable centres in the country in order to

obtain the maximum amount of efficiency from the coal; that production in all industries might be more cheap and economical as a result of a cheap and plentiful supply of motive power; that cheap and abundant gas and electricity might illuminate the homes of the poorest members of the community as well as those of the wealthy; and that social amenities hitherto undreamt of might be obtained for the use of all mankind. Parliamentary opposition, however, has prevented the Bill so far from becoming law, which opposition was based principally upon the fact that there are certain vested interests now engaged in the production of power up and down the country. This opposition, however, ignores that scientific opinion which is now definitely agreed that there should be a carbonisation or gasification process for the preparation of all raw coal preliminary to its use for steam raising; and it is due to the absence of this provision, not only at the collieries but also in practically every industry in the country, that we arrive at such a colossal waste of coal, estimated at no less than 55,000,000 tons of the present output per annum. This vast amount of coal is lost annually because the production of motive power proceeds along lines which are opposed to the best engineering knowledge now possessed by the nation. The total amount of coal now used

for the production of motive power in this country is 80,000,000 tons per annum, more than half of which is used unnecessarily owing to the want of provision of great central generating stations which would consume the coal on up-to-date lines and in the most economical manner, yielding the greatest amount of motive power and conserving the chemical properties of the coal, so that, instead of having from 7 to 10 per cent. only of its value for the nation, we should secure, according to the best estimates, 90 per cent. of its value.

Coal wasted in ordinary boilers means that coke, tar, and benzol, ammonium sulphate, and other chemical products are lost in the atmosphere. If science is prepared to say that 55,000,000 tons of the annual production of coal in this country can be used in a better and much more useful manner, then they ought to be so used. If science or the requirements of the world do not warrant the production of this amount of coal annually, why should human energy and human life be expended in its production? Is there any reason why science should not be used to the fullest extent, and the necessary human labour reduced to the minimum; or must this waste continue year after year, during the lifetime of this generation and succeeding generations?

A form of industrial life based upon waste

of things that have taken a great deal of human energy to produce is a form of production that must be condemned by all thoughtful men and women. No process of waste should be permitted to continue, nor should there be waste either of a gift of Nature, or in the amount of human labour required to exploit it. Such waste unnecessarily increases the volume of the world's work. The aim of industry should be to give to humanity a limitless supply of goods at the minimum cost and at the minimum expenditure of human energy. The tragedy of our entire system lies in the fact that we spend our lives in producing those things which are quickly consumed in order apparently to keep us constantly engaged in employment. If Society were constructed so as to produce only those things which contain the greatest durability, and to utilise to the full the properties of the things so produced, one half of the world's work would be dispensed with, and a purpose in production would be seen for the first time.

CHAPTER IV

THE PRESENT SITUATION

THE answer given by the colliery proprietors when any scheme for a fundamental change in the industry is put forward is that under private enterprise the industry has accomplished all that could have been accomplished, and that no system which can take its place can give to the nation more coal for home and export purposes, or at a cheaper price, than has hitherto obtained. That this is the sincere view of the colliery owners cannot be doubted, for Mr. Leslie Scott, K.C., M.P., in his speech to the Coal Industry Commission, based their claim for the continuance of private enterprise upon the past achievements of the industry in these respects. As the mouthpiece of the colliery owners, he showed the huge strides which had been made between the year 1873 and the year 1913—a period of forty years. In 1873, 128,680,131 tons of coal were produced, whilst in 1913 not less than 287,430,473 tons were produced, an increase in production in forty years of over 123 per cent. In the

same period the export trade in coal, coke, and patent fuel increased from 16,076,628 tons to 98,338,104. The number of men and boys employed in the industry in 1873 was 626,030, whilst in 1913 no fewer than 1,118,452 men and boys were so employed.

TABLE IV.

RETURN SHOWING ACCIDENTS (FATAL AND NON-FATAL) IN MINES UNDER THE COAL MINES ACTS.

Year.	Number of deaths from accidents.	Number of non-fatal accidents reported.	Number of non-fatal accidents disabling for more than seven days.
1869 to 1889 .	22,648	Information incomplete	
1890 „ 1894 .	5,402		
1895 „ 1907 .	13,631	53,613	
1908 „ 1914 .	10,049	37,310	1,104,501
1915 . . .	1,297	4,454	Later figures not available.
1916 . . .	1,313	4,327	
1917 . . .	1,370	4,396	
1918 . . .	1,401	4,148	
1919 . . .	1,112	Later figures not available	

All these figures indicate a rate of progress which is remarkable, and due credit must be given for the engineering triumphs and private enterprise of the past forty years, and also for the triumphs of earlier periods, but, as we have shown in the previous chapter, this output has only been secured at a great waste of coal, much of which is lost for ever.

It would be a mistake not to refer to the waste of human life which has been involved in the production of coal during these earlier years, and we will also show, *per contra*, that in spite of the waste of the commodity in the production, in spite of the waste of human energy and the waste of human life, and in spite of the low but gradually increasing price of coal, the profits of the industry have been steadily growing.

Table IV, page 47, shows the colossal death rate, and also, until the Home Office ceased to publish the figures, the number of non-fatal accidents which have occurred in the industry in the past fifty years.

Taking the year 1918 as an example, a man is killed every six hours, whilst a man is injured every three minutes. It may appear to be merely sentimental to show the death and accident rates in the mining industry, and the critic may say that the progress of the industry is necessarily accompanied by loss of human life, but the point of these statistics lies in the fact that in the progress of the industry such progress, instead of resulting in the diminution of the death and accident rates, has resulted in their increase, as is clearly shown in the number of accidents, both fatal and non-fatal, per million tons of coal produced. See Table V.

When reviewing the progress of the industry we must as far as possible keep before

TABLE V.

RETURN SHOWING AVERAGE ACCIDENT RATE PER MILLION TONS OF COAL RAISED OVER A PERIOD OF YEARS AT MINES UNDER THE COAL MINES ACTS.

Years.	Number of fatal accidents per million tons raised.	Number of non-fatal accidents per million tons raised.	Number of non-fatal accidents disabling for more than seven days per million tons raised.
1895 to 1899 .	4·77	21·0	
1900 „ 1904 .	4·35	15·5	
1905 „ 1906 .	4·47	13·5	
1907 . . .	4·41		
1908 . . .	4·75		513·8
1909 . . .	5·23	19·8	549·9
1910 . . .	6·37		569·1
1911 . . .	4·42		581·1
1912 . . .	4·67		549·9
1913 . . .	5·81		585·6
1914 . . .	4·37	17·4	568·1
1915 . . .	4·90		Later figures not available.
1916 . . .	4·92		
1917 . . .	5·27	17·2	
1918 . . .	6·18		
1919 . . .	4·85	Later figures not available	

us data relating to the outstanding features of the industry, and the phenomenon which must be kept in mind is that the increase in the output of coal is due entirely to the growth of mining knowledge and enterprise and to the increase in the number of men and boys employed in its production; but side by

side with this is the fact that for a considerable number of years the output per man has fallen, so that in the year 1919 there was a reduction in the output per man as compared with the year 1879 of 70 tons, or not less than 23·8 per cent.

The following table, which sets forth the output per man employed over a period of years, will reveal one of the most interesting features of the industry, and one which gives rise to more thought and speculation, and also criticism, than perhaps any other: for it is argued by the owners on the one side that whilst the aggregate output has increased in this period the workmen are not producing as much per unit as they did in former years, and that this is due to a general deterioration in skill and effort. Many reasons are adduced to prove this. There is the reason that the shorter working day is responsible for the decline in output per man; and another reason given is that the men do not work so well or so hard as they did formerly, and finally there is the reason given that the increases in wages due to the introduction of the minimum wage, war bonuses, and the Sankey wage, granted during and since the war period, lead men to accept as sufficient the wage to which they are entitled by law, and that they do not exert themselves to produce as much as possible for the purpose of getting higher wages.

TABLE VI.

STATISTICS OF TONNAGE RAISED, NUMBER OF PERSONS EMPLOYED, AND AVERAGE OUTPUT PER PERSON EMPLOYED, 1889 TO 1919.

	Tonnage raised. (Million tons.)	Persons employed.	Output per person employed. Tons.
Average 1889 to 1893 .	178·0	631,600	282
„ 1894 „ 1898 .	195·5	680,000	286
„ 1899 „ 1903 .	224·3	776,680	288
„ 1904 „ 1908 .	249·8	881,800	283
Year 1909.	263·8	992,333	266
„ 1910.	264·4	1,027,339	257
„ 1911.	271·9	1,045,272	260
„ 1912.	260·4	1,068,751	243
„ 1913.	287·4	1,110,884	259
„ 1914.	265·7	1,054,105	252
„ 1915.	253·2	939,604	270
„ 1916.	256·4	984,796	260
„ 1917.	248·5	1,006,299	247
„ 1918.	226·5	961,000	236
„ 1919.	229·2	1,025,604	223

This table is open to many interpretations, but the writer now puts forward an explanation, based on ascertained facts, which appears to him to be the proper one. As the collieries grow older and the thinner and deeper seams are worked, the number of workmen engaged in handling the coal after it has been won from the seam, and in transforming it into coke and by-products, has increased in proportion to the number of men actually engaged in winning the coal at the coal face. In the case of a colliery which has already been worked for twenty

years this is most marked, whilst in a lesser degree, at those collieries where washing plant has been erected to provide for the grading of coal unknown to our forefathers into different sizes and qualities, this phenomenon is also apparent.

The aggregate output was higher after the passing of the Act of 1908, known as the Eight Hours Act, than in the previous years, when the men worked ten hours a day and sometimes longer. This is shown in the table set out above, and there are already indications that the output after the Seven Hours Act, passed in July, 1919, would approximate in the very near future to the output under the Eight Hours Act, were it not for the general deterioration in plant and certain other phases which have characterised the industry since the year 1913, and which will be described later.

High wages have not influenced the output per man in the slightest degree. The theory that with higher wages a man works less hard is shown to be a fallacy by the fact that the miners at present earn less real money, when measured in purchasing power, in 1920 than they earned in 1914. From the very nature of things almost every man strives not only to maintain but to improve his standard of existence. In the case of the miner the high cost of living, which is in excess of any increases of wages he might

have received, makes it imperative that he should work harder if he desires to maintain the same standard of living as he enjoyed prior to the war. This is a fact which must be taken into consideration by anyone who desires to have a proper understanding of this particular question.

The outstanding feature of the history of the industry prior to the war, however, is that in spite of the reduction in the output per man employed, in spite of increased wages, in spite of the increases in the cost of production, there has been an increase in prices which has resulted in an increase in profits. It is difficult to obtain data of the profits secured from the industry for as far back as we have data showing the growth in output and the fall in output per man employed. The most complete return, however, is that supplied by the Government in 1919, and set out on the following page.

In considering these profits we must have regard to the amount of capital invested in the industry, otherwise we may fall into an exaggeration of the true position as to profits. Dr. J. C. Stamp, Assistant Secretary to the Board of Inland Revenue, has computed that the amount of capital invested in the industry for the five years prior to the war was in the neighbourhood of £135,000,000, but whether this was fully paid up capital or not has not been definitely stated.

TABLE VII.

Coal Mines (including Coking, &c.) assessed on the Five-year Average.

Years.	Estimated ann. statutory profits, less wear and tear.	Net estimated Royalties after deduction of income-tax and mineral rights duty.	Estimated Taxes.					Balance.
			Mineral rights duty.	Excess profits duty.	Coal mines excess payments.	Income-tax.	Total.	
1908–9 .	£21,430,000	£5,130,000	—	—	—	£710,000	£710,000	£15,590,000
1909–10 .	14,700,000	4,909,000	£270,000	—	—	930,000	1,200,000	8,591,000
1910–11 .	15,100,000	4,999,000	275,000	—	—	880,000	1,255,000	8,846,000
1911–12 .	13,140,000	5,279,000	290,000	—	—	1,000,000	1,290,000	6,671,000
1912–13 .	22,350,000	4,852,000	270,000	—	—	980,000	1,250,000	16,248,000
1913–14 .	26,980,000	5,256,000	290,000	—	—	970,000	1,260,000	20,464,000
1914–15 .	18,960,000	4,866,000	270,000	—	—	1,460,000	1,730,000	12,364,000
1915–16 .	31,160,000	4,343,000	295,000	£2,250,000	—	2,750,000	5,295,000	21,522,000
1916–17 .	46,590,000	4,025,000	435,000	8,230,000	—	3,290,000	13,975,000	28,590,000
1917–18 .	34,210,000	3,824,000	395,000	7,150,000	£749,000	6,620,000	14,914,000	15,472,000

The above figures are given subject to the following reservations :—

1. All the figures are necessarily estimates.

2. The profits figures exclude the small proportion of mines which are carried on as subsidiary to the main business of the proprietors.

3. The profits figures include coking and by-product profits.

4. The amount of income-tax stated is tax at the full normal rate on the profits liable to income-tax and is not the amount of tax finally receivable by the Exchequer. So far as profits ultimately reach the hands of individuals the normal tax shown will be subject to diminution for reliefs due and to increase by the levying of super-tax, both being dependent upon the total income of the recipient of the profits.

TABLE VIII.

STATISTICS OF COAL MINING INDUSTRY FROM 1889 TO 1918 COMPILED FROM GOVERNMENT RETURNS AND STATISTICS.

	Tonnage raised. (millions).	Value at pithead per ton raised.	Profits and royalties.		Cost per ton raised excluding royalties.			Persons employed.	Get per person employed tons.	Earnings per annum per person employed
			Amount (millions).	Per ton raised.	Wages.	Other Costs.	Total.			
		s. d.	£	s. d.	s. d.	s. d.	s. d.			£
Average, 1889 to 1893 .	178·0	7 4·18	11·7	1 3·78	4 7·16	1 5·24	6 0·40	631,600	282	58
„ 1894 to 1898 .	195·5	6 2·16	8·7	0 10·68	—	—	—	680,800	286	—
„ 1899 to 1903 .	224·3	8 8·76	19·2	1 8·54	5 5·52	1 6·70	7 0·22	776,680	288	35
„ 1904 to 1908 .	249·8	7 10·94	17·2	1 4·52	—	—	—	881,800	283	—
Year, 1907	267·8	9 0	24·4	1 9·86	—	—	—	925,097	289	—
„ 1908	261·5	8 11	22·7	1 8·83	—	—	—	972,232	269	—
„ 1909	263·8	8 1	14·9	1 1·55	—	—	—	992,333	266	—
„ 1910	264·4	8 2·25	15·9	1 2·43	—	—	—	1,027,339	257	—
„ 1911	271·9	8 2·00	15·3	1 1·50	—	—	—	1,045,272	260	—
„ 1912	260·4	9 1·00	21·2	1 7·54	—	—	—	1,068,751	243	—
„ 1913	287·4	10 1·52	28·0	1 11·38	6 4·01	1 10·13	8 2·18	1,110,884	259	82
„ 1914	265·7	9 11·79	21·5	1 7·42	6 2·92	2 1·45	8 4·37	1,054,105	252	79
„ 1915	253·2	12 5·60	27·4	2 1·97	7 9·58	2 6·05	10 3·63	939,604	270	105
„ 1916	256·4	15 7·24	43·8	3 5·00	9 9·12	2 5·12	12 2·24	984,796	260	127
„ 1917	248·5	16 8·69	33·7	2 8·55	10 5·53	3 6·61	14 0·14	1,006,299	2 47	129
„ 1918	227·5	22 4·00	35·5	3 1·50	13 2·80	4 3·20	17 6·00	948,000	240	159

We are thus confronted with the real position that in spite of high costs of production, both as regards increased wages and cost of materials, capital has been returned to the shareholders nearly twice in ten years. This steady increase in profit disproves the oft-repeated assertion that the industry is a highly speculative one. Fluctuations in profits do not in any way show that the industry is a speculative one from the point of view of the investor. On the contrary, those who have money in it regard it not only as a very lucrative investment, but also as a very safe one. This is borne out by the facts set forth in Table VII.

The position of the industry prior to, and during, the war, is shown in Table VIII., but it is now claimed that the rapid increases in wages which have taken place during the years 1917–8–9, the increased cost of materials and increased taxation, combined with the general reduction in the working day by one hour for all underground workmen, in conjunction with the falling output per man employed, have resulted in the industry ceasing to make profit of any kind and leaving it to be artificially maintained solvent at the expense of the Imperial Exchequer, or by considerably enhanced prices to the consumer.

In the year 1913, which was the year that marked the highest point of produc-

tivity ever attained in the history of the industry, coal was plentiful and comparatively cheap; profits were high, no less than 1*s.* 11·38*d.* per ton of mineral raised; wages were low, averaging only 6*s.* 4·91*d.* per day, or £82 per annum per person employed, or a weekly sum of 31*s.* 6*d.* The number of men employed was greater than ever before in the history of the entire industry, while the production per man was 259 tons per annum, or 23 tons per man per annum less than twenty years previously. From 1913 the output has steadily declined, while the Government has estimated that for the year ending July, 1920, the output will only be 217 million tons. This represents a drop of 70 million tons per annum comparing 1920 with 1913. Prices have gone up in the same period from 10*s.* 1·52*d.* to 22*s.* 4*d.* at the pithead. Profits have gone up from 28 millions to 35½ millions, the profits per ton having increased from 1*s.* 11·38*d.* to 3*s.* 1·50*d.* Wages have gone up from 6*s.* 4*d.* to 13*s.* 2*d.* per day, or from £82 to £159 per annum, and the total costs of production have increased from 8*s.* 2*d.* to 17*s.* 6*d.* per ton.

We therefore see that with a drop in the aggregate output and an increase in the aggregate costs of production, a drop in the individual output per man employed, the profits of the industry in 1918 are higher than ever before, except in the year 1916, when

they reached the figure of £43·8 millions. We are thus faced with a decline in production and at the same time an increase in profit. Can this be said to characterise a healthy industry, and can the consumer, who has to provide these huge profits by paying enormously high prices for the commodity, regard the industry as one which under private ownership and control is capable of bringing to him the benefits which he is entitled to expect, having regard to the fact that we possess in this country such an enormous store of this very valuable commodity ?

As this decline in the industry has been open to many and various interpretations the writer purposes to deal at some length with the causes which appear to him to be responsible for this remarkable state of affairs, the consequence of which is to give practical point to the great question of the nationalisation of the mines, which provides the reason for this book.

CHAPTER V

THE GREAT DECLINE

We have seen in the last chapter how the industry, instead of developing along such lines as would increase the sum total of benefits to the people, has proceeded in the reverse direction. As has been shown, output has declined, cost of production has increased, the output per man employed has gone down, though the number of men employed, and wages, have increased, and that in spite of all these symptoms profits have continued to increase. The latter cannot be due to capital long since invested which after a long interval now commences to bear interest, for, as we have also seen, the interest already secured by capital in the five years from 1913 to 1918 was 25 millions of pounds in excess of the total capital invested in the industry.

Private enterprise in the coal industry has become, and will continue to be, a burden on the community unless changes of a fundamental character take place. In a work of

this description we cannot exclude from our consideration the events of the year 1919, for such events must be for ever memorable in the history of the industry. The Coal Industry Commission, brought into existence as the result of an Act of Parliament, known as the Coal Industry Commission Act, 1919, which received the Royal Assent on February 26th of that year, met and conducted an exhaustive inquiry into the whole of the conditions prevailing in the industry.

The purpose of the Commission was to inquire generally into the position of, and the conditions prevailing in, the coal mining industry, and in particular as to :—

(*a*) The wages and hours of work in the various grades of colliery workers, and whether, and if so to what extent and by what method, such wages should be increased and hours reduced, regard being had to a reasonable standard of living amongst the colliery workers, and to the effect of such changes on the economic life of the country ;

(*b*) any inequalities between different grades of colliery workers as regards wages, hours of work, and other conditions, and whether, and if so to what extent, any of these inequalities are unjustifiable and capable of remedy ;

(*c*) the cost of production and distribution in the coal industry, or any industry commonly carried on in connection therewith or as ancillary or as incidental thereto, and the general organisation of the coalfield and the industry as a whole ;

(*d*) selling prices and profits in the coal industry,

or any industry commonly carried on in connection therewith or as ancillary or incidental thereto ;

(*e*) the social conditions under which colliery workers carry on their industry ;

(*f*) any scheme that may be submitted to or formulated by the Commissioners for the future organisation of the coal industry whether on the present basis, or on the basis of joint control, Nationalisation, or any other basis ;

(*g*) the effect of the present incidence of, and practice in regard to, mining royalties and way-leaves upon the coal industry and the cost of coal, and whether any and what changes in these respects are desirable ;

(*h*) the effect of proposals under the above heads upon the development of the coal industry and the economic life of the country.

Without parallel in the history of Commissions appointed by Act of Parliament, this Commission had opportunities of surveying an entire industry, both in its general aspects in relation to the nation in the past, in the present, and in the future, and in its general structure down to the smallest conceivable detail. Many important discoveries were made by the Commission in regard to the wages and hours of the workers engaged in it ; in regard to the profit-making capacity of the industry ; its past achievements, its shortcomings, and its future possibilities. No other industry has ever been subjected to such a searching analysis, which was conducted in the fierce light of public criticism.

The principal discovery, however, and one that has given rise to so much criticism and calumny, was the discovery made by the Chairman of the Commissioners, Mr. Justice Sankey, by Mr. Arthur Balfour, a steel manufacturer, Sir Arthur Duckham, an engineer, and Sir Thomas Royden, Bart., a shipowner. This discovery they made known to the Government on the 20th March, 1919. It appears in Clause 9 of their Report to His Majesty King George V., and reads as follows :—

"Even upon the evidence already given, the present system of ownership and working in the coal industry stands condemned, and some other system must be substituted for it, either Nationalisation or a method of unification by national purchase and or by joint control."

The facts which led these members of the Commission to such a discovery were not unknown to those directly engaged in the industry before that date. They had been known to exist, or had been suspected, by all those who had followed the course of the industry during the past ten years, and it is all the more remarkable that it should have been left to one of His Majesty's Judges and three gentlemen of great standing in the industrial and commercial world to make this far-reaching generalisation.

They endeavoured to remedy those evils in connection with the industry so far as the

workmen employed in it were concerned—the evils of low wages and long hours of labour. It might be that they considered that the profit-making capacity of the industry, which resulted in the strange contrast of high profits with falling output and higher costs of production, necessitated the workmen having some share in the profits in the form of higher wages, for they recommended, "an increase in wages of 2*s*. per shift worked or per day worked in the case of the classes of colliery workers, employed in coal mines or at the pitheads of coal mines whose wages have in the past been regulated by colliery sliding scales." In the case of workers under sixteen years of age the advance was to be 1*s*. The annual value of this increase in wages was estimated to be no less than £30,000,000. They further recommended "a shortening of the working day underground by one hour from July 16th, 1919, and probably a further hour from July 13th, 1921." It was estimated that a further decrease in output, consequent upon such reduction in the working day, would make an additional charge of £13,000,000 per annum, thus making a total increase in labour costs of £43,000,000 per annum.

The writer cannot say whether it was felt that the increase in wages and the reduction in hours of labour would in itself arrest the downward tendency in production, but it is

clear that such increase would absorb more than the total profit made by the industry in the highest year on record, which was 1916. It is also clear that the absorption of the whole margin of profit, and more, must result in increased prices if the collieries were not to be subsidised by the Imperial Exchequer until such time as the industry had freed itself from the downward tendency in production. This was quickly realised by the Government, who decided that the price must be increased and presented statistical estimates to that effect to the House of Commons on Monday, July 14th, 1919. These estimates were as follows :—

Estimated deficiency in the working of the coal industry for a period of twelve months from 16th July, 1919		£46,000,000
Estimated output of coal for twelve months from 16th July, 1919		Tons. 217,000,000
Less quantity upon which an increased price would not be effective, viz. :		
Coal for consumption at collieries estimated at	18,000,000	
Coal supplied for miners use, based on the quantity supplied in 1918, viz., 5,850,000 tons, say	6,000,000	
Coal for export and bunkers sold at open market prices above the minimum	32,000,000	
		56,000,000
Quantity of coal over which the estimated deficiency of £46,000,000 is spread	£46,600,000	161,000,000

Increase in price of coal . . 161,000,000 tons.
5*s.* 9½*d.*, say 6*s.*

That these figures were afterwards demonstrated to be wrong is not material to the present point. They were demonstrated to be wrong because of the incorrect estimates of the fall in production owing to the shorter working day, and by the subsequent increase in the volume and price obtained for export and bunker coals, but if the estimates had been correct in every particular the industry would have arrived at a point where profit could no longer be made. If in the near future the export trade decreases in volume, and the price goes back to something like pre-war levels, with the cost of production remaining where it is, the industry will become insolvent.

If coal mining is to continue, the whole question is, therefore, one of technical efficiency in the industry itself. It is inconceivable that a great productive industry, producing one of the most vital commodities in our commercial life, can continue to be a charge or burden on the nation, or, in other words, a charge or burden upon other self-supporting and more lucrative undertakings. In what direction then can increased efficiency be attained ? Can it be attained at all under the system of ownership which has resulted in the situation we have just described ?

One form of economy can certainly be secured consistent with the continuance of

private enterprise; one which the colliery owners on the Commission agreed would be an economy, and that is the removal of the private ownership of the coal in the earth. But not much economy could be immediately effected in this direction. The industry would be relieved of the direct payment of £6,000,000 per annum to the existing royalty owners, it is true, but if the latter were to be compensated for the loss which they allege will accrue to them through the loss of the right to draw further royalties, the financial effect upon the industry for the next ten or fifteen years would be negligible.

The principal effect of this change would be seen in the technical economies which could be effected, now and in the future, in the more scientific exploitation of the field. It is the opinion of every mining engineer that only when the whole coalfield can be worked in a co-ordinated manner can due regard be paid to the peculiar characteristics of the field, and means be devised by which inherent difficulties can be properly overcome. For example, if the minerals were owned by the State as a single owner, with power to lease, on terms to be determined only by scientific advice and requirements, "barriers" of coal need no longer be left in the earth as has been the case in the past solely through the obstacles created by the private ownership of the coal. Such "barriers"

need only be left in the earth in the future in such quantities and in such places as the best mining knowledge would dictate, and any new fields, together with those now in the process of development, would escape entirely the waste of the old system.

Another important aspect to be considered here is that the removal of the private ownership of the minerals would result in the possibility of dealing effectively with the large quantities of water which often result in the loss of millions of tons of valuable coal, because the system of private ownership has made it impossible to have co-ordinated pumping and drainage plants. In future pumping and draining can be done from central plants, which again can be determined scientifically so as to drain the water from a portion, or even from the whole, of one field or area that is to be worked, and such central pumping and drainage stations, in addition to saving coal which would otherwise be lost, would be far more economical in their consumption of fuel for power than the multiplicity of small pumping stations which have characterised drainage operations hitherto.

No less than fourteen separate defects arising from the individual ownership of the minerals were pointed out by the Special Committee, known as the Acquisition and Valuation of Land Committee, which has issued an Interim Report on this question.

These fourteen points coincide with the general indictment of the present system by Sir Richard A. S. Redmayne, K.C.B., who in his evidence before the Coal Industry Commission, said that the present system of ownership of the minerals resulted in restrictions in the way of development arising therefrom, unknown ownership of the minerals, the refusal of owners to lease minerals, minerals leased to one company lying within the take of another company, barrier coal, support of the surface, support of railways and other statutory undertakings, and the onerous terms imposed by lessors, all of which contribute to the unscientific working of the coal.

The defects pointed out by the Acquisition and Valuation of Land Committee in their Interim Report, are set forth below :—

(i) In some cases owners have restricted development on grounds which are either wholly unreasonable, or, although perhaps reasonable from their point of view, contrary to the national interest.

(ii) Unless the owner has had control of a sufficiently wide area, and been gifted with adequate foresight and wisdom, in himself or his advisers, there has been no general plan of mineral development proceeding on a scientific study of the geological conditions of an area as a whole.

(iii) Where the ownership is distributed in a number of small estates, or where the minerals are owned by tenants in common, it sometimes happens that one or more owners refuse permission to work

on any terms, or endeavour to enforce an exorbitant demand or cannot be found, with the result that the area becomes landlocked, and, if it is too small to justify the sinking of a separate shaft, the minerals are permanently lost.

(iv) It often happens that the owner of the surface has not parted with his legal right to the support of the minerals underneath the surface of his land and also under adjoining land. Removal of any appreciable proportion of the mineral—certainly of the least proportion which would be commercially profitable—inevitably causes some subsidence. And subsidence extends not only to the surface vertically above the minerals so worked, but also to the adjoining surface for some distance away. In such a case, apart from his liability for all damage caused to the surface by such subsidence, the mine worker is liable at any moment to an injunction restraining him from working at all, if subsidence is threatened. There are also cases where, although the mineral worker has the right to let down the surface, he can only do so on payment of all damage caused; and in such a case, fearing the risk of subsidence causing greater damage than the profits to be got out of the minerals he leaves them unworked. In all such cases the minerals so left are for the most part permanently lost to the nation.

(v) Coal is also often left in barriers on the boundary of a mine to prevent the inrush of water from other workings on a higher level. The total area of minerals left in such barriers is very large, and we are satisfied that a comprehensive survey of existing barriers would show that a considerable portion could be worked with safety. But mine managers hesitate themselves to take the risk, because, apart from the danger to life which would

arise in certain cases if a mistake were made, and a passage thereby opened for the ingress of water, the expense of pumping may easily eat up the profits of the mine, or even render a large area of mines on a lower level unworkable, and give rise to immense claims for compensation at the instance of the parties interested in those mines.

(vi) It is sometimes difficult for a mine worker to obtain on reasonable terms wayleaves both above and below the surface. The mine worker in order to work his mine efficiently and economically —as it is in the national interest that he should do— requires rights of access on the surface to railways, canals, highways, etc., and below the surface the right to bring coal, etc. from the mines of one lessor through the mines of another lessor. If such rights or wayleaves are denied to him, or are only obtainable on unreasonable terms, the economical development of his mine is impeded, or the costs of production unduly swollen.

(vii) It is not infrequently difficult for a mine worker to obtain on reasonable terms other surface rights which are necessary to the efficient working of a mine. As an instance, a mine worker may have an insufficient area of surface ground for dumping his colliery refuse or other waste products; and as the working of the mine proceeds he will be seriously hampered unless he can obtain reasonable facilities at a reasonable price.

(viii) A mining lease imposes numerous conditions on the lessee as to the method of working as well as provisions for the protection of the surface owner or adjoining mineral owner. In some cases these terms unduly hamper the lessee and prevent the due development of the mine.

(ix) Cases arise where, owing to unforeseen circumstances, a colliery company or other mine

worker is unable to continue the working of the mine, or of certain seams in the mine, unless some modification or readjustment is made in the terms of the original bargain between the parties concerned. In such cases the minerals may be lost to the nation.

(x) In some cases the mineral owner may be quite willing to grant all reasonable facilities for development, but owing to some legal disability, whether in himself or created by the instrument under which he derives ownership, he cannot do so without the sanction of some authority which is competent to overcome this disability.

(xi) In some cases the mineral owner, whether freeholder or leaseholder, is bound by special restrictive covenants imposed for the protection of the surface owner or the owner of adjoining minerals which either impede or prevent the full development of his minerals.

(xii) In some cases, owing to insufficiency of capital, or the desire to snatch a quick profit—*e.g.*, because of the approaching termination of the lease —lessees have (in disregard of proper mining development) picked the eyes out of a mine and abandoned it in such a condition that it can probably never profitably be reopened. We believe that this particular difficulty arises mainly in cases of metalliferous mines.

(xiii) Although the Geological Survey has collected a good deal of valuable information from a purely scientific point of view, and the Home Office is in possession of some very useful records, there is no Government Department regularly receiving and preserving sufficient records of the condition of our mineral resources, developed and undeveloped, as a whole, nor is any Department charged with any general survey of them.

(xiv) There is equally no organised system for the exploration and testing of undeveloped mineral fields.

The unanimity with which the present system of ownership of the minerals stands condemned is remarkable, for every member of the Coal Industry Commission joined in its condemnation. The colliery owners on the Commission themselves stated,

"We have considered carefully the evidence submitted to us and have come to the conclusion that the most effective method of dealing with the problem would be for the State to acquire the ownership of the coal."

The questions that we now have to ask, and to answer, are: Is the decreased production due to a lower standard of physical efficiency; is it due to Governmental control during the war, or is it due to psychological reasons, due that is, to a growing unwillingness on the part of the workers to co-operate further with private enterprise in the production of coal? Can the technical equipment of the mines themselves be improved so as to result in increased economy in production?

Such questions will lead us to the very root of the problem, for if we make the generalisation that wages, which constitute from 65 to 70 per cent. of the total cost of production, are not likely to fall below their present level, we must examine whether the industry can reduce the remaining portion of

the costs of production and thus increase efficiency.

We are not questioning here the technical efficiency in the managerial or commercial sides of the industry, for such efficiency, especially as regards managers and surveyors, is raised every year, if examination papers are a safe indication. There has, however, been a pronounced falling off in the efficient technical equipment of the mines themselves. There can be no doubt that during the war the usual replacements of depreciated machinery, such as winding engines, pumps, haulage engines, etc., have not taken place on anything like the same scale as in pre-war days. There have been no renewals of permanent way, rolling stock, or tubs, with the result that both underground and at the surface of the collieries the productive capacity of the industry has decreased. There is in consequence of the war the greatest possible difficulty in getting to the mines the steel rails they require, the tubs they require, or the machinery they require. But all these in the course of time will be made good, and the pre-war standard of efficiency be restored. Even then, however, such restoration cannot appreciably reduce the cost of production per ton, because the number of men employed in 1913 was as large as the number now employed, so that the restoration of the pre-war standard of

mechanical efficiency will not necessarily reduce the number of men employed in the industry.

Here we turn to a competent authority, Sir Richard A. S. Redmayne, who stated to the Coal Industry Commission that "amongst the factors which would tend to increase output without necessarily increasing the cost of production, are the improvement of winding plant and engines, greater use of two-deck cages, greater use of mechanical coal cutters, pneumatic drills, etc. (and in this connection it may be remarked that only 10 per cent. of our coal output is got by machinery), the conveyance of underground workmen to and from the face by mechanical haulage, the economical use of coal in the production of power, and the reduction in colliery consumption."

Can the pre-war standard of efficiency be improved under the present system? In some of the modern collieries there is at present great technical efficiency. These collieries show remarkable results in regard to low costs of production with high profits in spite of high labour costs. These are the collieries where it has been the practice of the directors regularly to set aside profit accumulations for efficient equipment by installing up-to-date plant, but such collieries are remarkably few. The majority of the collieries are small and backward, and,

again quoting Sir Richard Redmayne, " what would be necessary in such cases would be the provision of capital allowing a quicker and more extensive development of the backward mines." Many of the modern ideas for the development of collieries cannot be put into force without considerable capital expenditure, and as each one of the 1,452 colliery companies is pursuing its own individual competitive course they cannot and do not effectively reduce the cost of production because of their limited capital resources.

The critic would be entitled to say at this stage that what is true of the large, well-equipped, combined capitalist collieries could be made applicable to the whole industry, and thus under the present system enable it to effect all that the engineer says ought to be effected. With this the writer would to some extent agree were it possible to eliminate the individual, sectional interests of the 1,452 colliery companies, so as to embrace them in a few groups—a tendency which has shown itself during recent years, though to such a small extent as to have scarcely any effect on the industry as a whole. It would be foolish indeed to deny that the costs of production could be reduced under private ownership, if such private ownership were reduced to a few unified undertakings. All the economies that characterise combines,

monopolies, or trusts could characterise the mining industry in similar circumstances, but colliery companies in this country for the most part have not chosen to take that path, and, apparently, they will not do so of their own accord.

Economies in the consumption of coal at the collieries would also be effected by unification, for we have evidence of a very low colliery consumption at some of the more highly developed concerns in the country. We have already indicated that the amount of coal used at the collieries for the generation of power is over 7 per cent. of the annual output, and runs into 17,000,000 tons, only one-fifth of which is declared to be scientifically used. The reduction in colliery consumption, however, requires a considerable capital outlay, which the poorer companies cannot afford.

The cost of production can, therefore, come down under private capitalism, provided that the interests of the individual colliery companies can be eliminated, and the industry subordinated to the will of the scientist and the engineer.

CHAPTER VI

THE GROWING CONFLICT

Is the decline in output due to decreased effort on the part of the workmen? Is it due to ca' canny? To this the employers would answer with an unanimous "Yes." The workmen with equal unanimity would answer, "No." But that does not get us much further in our quest. That there are men who could do more and are content to do less is a truism, but they are by no means numerous. If these were in the majority the reduction in output would be more systematic and the results more pronounced. It has been argued quite plausibly that increases in wages have resulted in decreased effort. Figures have been adduced to show that, year by year, as wages have gone up, output has gone down. In certain specific instances it has been proved that a decline in production has followed upon an increase in wages, but this does not prove that one is the cause of the other. The needs of himself, the calls of family, and the maintenance of social status

are ever present with the average workman. What is it to him if wages go up, if the cost of living goes up in equal proportion? If the average wage of a miner is higher by 100 per cent. than before the war, and the cost of living has gone up in even greater proportion, will he be as well off as before if he "slacks"? On the contrary, is it not obvious that in order to maintain his pre-war standard of living he must work harder than before? As will be shown later, his falling output is more the result of the spirit pervading his whole relationships with the employers rather than any consciously directed attempt to keep output down.

The marked decline since 1916 can be traced to a large extent to the fact that the young single miners who were physically fit were for the most part taken either into the Army or the Navy. They represented the cream of the workmen, and the industry was the poorer for their absence. The demobilised soldiers who have returned to the mines do not, and cannot, restore the balance in its entirety. Even although the actual number of men engaged is as high as in 1913, the pre-war standard of efficiency is not the same. But this decline is only temporary. As the younger miners reach manhood and become ready to assume their place and responsibility in their work, the influence of the war on physique will disappear altogether.

Is the decline in output due to the Governmental control during the war? Can it be said to be due to the "dead hand" of the Government on coal-mining? Every critic of Government interference in industry answers, "Yes," but the existence of the Coal Controller and the work of his department have in no way interfered with the actual work of production. For the most part their work has been on administrative and distributive lines. Regulation of price and consumption for home and foreign purposes, interference in industrial disputes, and the administration of the Coal Prices Limitation Act and the Coal Control Agreement Confirmation Act represent practically the whole of the activities of the Coal Control. But the effect of the law which takes all excess profits up to 80 per cent., and for the purpose of maintaining the pre-war standard for poorly-paying and totally unremunerative collieries takes another 15 per cent., has been most marked. It has resulted in an attitude of indifference on the part of the owners. Instances have been brought to the writer's notice of owners working inferior seams and closing up good ones until the great day when emancipation from artificial restriction of prices and of profits would have come; of efforts in other cases in making provision for future output when the market would be free and control would be gone. Indeed, control has affected

the industry prejudicially because the purpose of Control was in conflict with private interests. It mattered naught that the purpose and effect were for the public good.

Is the decline due to psychological factors which govern the relations which now exist between employers and workmen? Whilst each of the foregoing factors contributes to a greater or lesser degree in the declining output, the most powerful factor is undoubtedly to be found in the answer to this question.

If the growth of disputes and strikes, large and small, is indicative of a growing antagonism between employers and employed, the Mining Industry since 1916 gives a remarkable indication.

TABLE IX.

	Approximate number of workpeople involved in disputes.	Approximate number of working days lost through all disputes during the year.
1916 . . .	62,000	311,000
1917 . . .	280,000	1,097,000
1918 . . .	368,000	1,165,000
1919 . . .	906,000	7,441,000

In addition to the foregoing it is interesting to note that from the year 1900 to the year 1920 there were 2,812 strikes and lockouts in the mining industry. The above Table is of great importance.

These struggles have been, for the most part, over wages and hours and conditions of employment, and their existence proves to some extent that the interests of the

parties are in conflict. But the antagonism is not of recent growth, for the pre-war figures are no better; if anything, they are worse. It is not so much the effect that these strikes have upon output that is important, but that gradual formation of a permanent psychology of antagonism which is created as a result. There is no co-operation between workmen and employers; there is no common motive in industry; no conscious attempt to attain the highest efficiency; no elimination of waste; no internal economies. Both sides pursue opposite aims.

No industry can survive long in such circumstances. The motive of profit-making is no longer sufficient. The increased experience of the workmen, plus their improved education, has rendered insufficient such a purpose in industry. Even the motive of profit-sharing leaves the workman cold. His point of view now is—"Production for private profit is wrong, but as long as it exists, we will fight for a larger and larger share of it, regardless of the amount or kind of work performed." As long as the workman sees that a margin of private profit exists he will struggle to secure it.

This is creating the psychology of low production, which is ruinous. Low production is bad in itself, but whilst many of the causes of falling output can be removed and

the situation improved to that extent, this cause can only be removed by creating a newer and higher motive for production—a motive which will animate every worker in the industry, both by hand and brain.

We have proved that unification of the industry can effect reductions in the cost of production, but the thing that matters in order to secure high productivity at a low cost is the co-operation of the workmen engaged in the industry. Their changed social outlook, their higher education, lead us to the conclusion that any attempt to unify the industry without the co-operation of the workers would be futile. The trustification of the industry would, as we have stated, effect economies. It would certainly prevent the waste due to competitive production, but it would inevitably fail in securing the co-operation and goodwill of the workmen, and in so far as it fails to accomplish this it fails utterly. Only the stern resolve of the workers of this country and the help of friends of the workers can save the industry from inflicting still further hardships on the community. The industry, however, *could* be re-organised, made lucrative, and thus make for the highest economic contribution to the national well-being. But to accomplish this a new type of statesman must come into power. What is needed are men who understand the aspirations of the

working class, and are prepared to provide adequate channels for their social expression.

The workers will not work for trusts or combines in such a manner as to render effective the economies of unification. Their social outlook is against it; for the purpose of such economies would be the creation of profit, and this in itself makes it impossible for any such scheme to be successful in the long run. Therefore the workers turn to the proposal which offers the highest technical efficiency in production consistent with the well-being of the majority of their fellow workers engaged in other industries; and it is this desire which leads them away from trustification to nationalisation, for which there is the same argument technically as for trustification, but with this fundamental difference; that the former is for the good of the whole of the people of this country, whilst the latter serves only the interests of a very limited number.

CHAPTER VII

THE NEW SYSTEM

We have now shown the defects in the organisation of the industry under private enterprise, defects which find their culmination in the statement which has been elaborated in Chapter IV, that the industry has arrived at a stage when, were it not for the fact of the sensational export prices, it would, owing to high labour costs and deficiencies in technical equipment, be a burden on the nation. The proposition that we now have to set forth is calculated to prove that such defects can be remedied; that the industry can be made self-supporting; that good conditions can be enjoyed by the workmen engaged in it; that the public would benefit; and that the industry as a whole can expand in such a way as to provide for the continuous well-being of all dependent industries.

The scheme which embraces all these advantages is known as Nationalisation. The nationalisation idea is not one that has

been developed because of the inherent difficulties in one particular industry, such as coal mining. It is an aspiration which has grown up in the minds of the workpeople, and one that has been discussed by economists for the past fifty years. The nationalisation of railways has been talked of for perhaps a longer period than the nationalisation of any other industry. This is probably due to the fact that the drawbacks in the present railway system were appreciated earlier than the drawbacks of any other industry, especially a productive one. And this, in turn, may be due to the fact that the public services, such as the Post Office, Telephone and Telegraph systems, whilst not strictly productive in the economic sense have been taken over by the nation.

There need be no further argument in support of the claim that nationalisation of the minerals would result in advantage to the nation, for, as we have seen, such a proposition was unanimously recommended by the Coal Industry Commission, composed as it was of representatives of the colliery owners, capitalists, economists, and miners, which recommendation has been adopted by the Government as one which is essential to the future well-being of the industry. We have now to show that national ownership of the industry, as distinct from the minerals,

would also be of advantage to the nation. If this cannot be proved, then the case for nationalisation must be regarded as worthless.

The underlying assumption of the proposal is that the nation would own the whole of the collieries now working, as well as all the collieries that are to be developed and worked in the future. This would mean that the entire industry would be worked as a single undertaking. It might be regarded as a National Corporation or Trust, responsible for the conduct of the industry on both its productive and distributive sides, and with all the activities necessary to the industry completely co-ordinated and unified, as is supposed to be the case in regard to a single colliery company at present. The industry would be regarded as a whole, and the nation would work it as a whole. How the nation would work it as a whole is a matter with which we shall deal later.

The first step would be to remove the influence of the whole of the existing shareholders. There would be no shareholders nor holders of capital left in the industry. If there were, as there now are, individuals who exercise the functions of shareholders as well as the functions of technical adviser or expert, then their functions as shareholders would come to an end. There are at present 127,970 of such shareholders, representing in the year 1917 14·9 per cent. of the employees

engaged in the industry. Not all of these would go out of the coal trade, because it must be assumed that a certain number of them, such as managing directors, are engaged in the actual management of the industry, but as shareholders they would cease to exist. Their property would become the property of the nation, and though there might be no financial relationship which would show that each individual member of the nation had a financial interest in the industry, each unit of the nation would be regarded, theoretically, as having an interest in the undertaking.

Shareholders in the industry would be compensated for the holdings they now possess by the nation as a whole, and a financial scheme, which would have the authority of Parliament, would have to be adopted to effect such compensation, although it is obvious that no form of compensation should be permitted which would prolong the burden on the nation or on the industry in paying such compensation.

The form of compensation which commends itself to the Miners' Federation is based upon the output of the industry. Clause 9 of the Nationalisation of Mines Bill prepared by that Federation reads as follows :—

Ascertainment of Purchase Price

9. (1) The purchase price of mines exclusive of associated properties (other than mines in the possession of the Crown at the time of the passing of this Act) shall be computed subject to the provisions of sub-sections (2) and (3) of this section by ascertaining the average annual number of tons of minerals actually raised during the five years preceding August 4th, 1914 :

Provided that as regards coal-mines in no case shall the maximum purchase price, exclusive of associated properties, be taken to be more than the following :

	s.	d.	
When 100,000 tons or less have been raised per annum on the average during such five preceding years, a capital sum equal to one such year's output at	12	0	per ton
When more than 100,000 tons have been raised per annum on the average during such five preceding years, a capital sum equal to one such year's output at	10	0	per ton

(2) The Commissioners in arriving at such computation shall also have regard to the actual gross and net profits which have been made in the mine during such years or thereafter and to the amounts which may have been set aside from time to time for depreciation, renewals, or development, and to the probable duration of the life of the mine, and to the nature and condition of such mine, and to the

state of repairs thereof, and to the assets and liabilities of any mine undertaking existing at the time of purchase which are transferable to the Mining Council under section 16 of this Act.

(3) Provided further that where a coal-mine, in the opinion of the Commissioners, has not been fully developed, the amount which would be raised under full development without any increase of capital expenditure shall be taken as the average annual number of tons raised, and the maximum purchase price in such case shall be taken to be a capital sum equal to the product of such number of tons and 12*s.* or 10*s.* per ton respectively, for the purpose of ascertaining the maximum value per ton under sub-section (1) of this section.

The maximum purchase price, as will be seen from the clause, will be represented by the amount yielded by multiplying 10*s.* or 12*s.* by the average total output of the industry in the five years preceding the purchase, so that if the average output were 250,000,000 tons, the maximum purchase price on the 12*s.* basis would be £150,000,000.

This figure is in excess of the estimate of the total value of the capital invested in the industry. The position of each individual company would be inquired into separately by the Commissioners who would be appointed by the Government to assess the value of each mine, and full regard would be had to the position of each mine, thus doing justice to the mine in which a large amount of capital had been invested as well as to the

poor mine where only a small amount had been so invested.

The purchase price, once ascertained, would be paid by the Government to the existing holders of stock or capital in the industry. There would be created a new capital stock, to be known as Guaranteed State Mining Stock, which would be given in exchange for existing holdings upon assessment by the Commissioners. Such stock would bear interest at a rate to be determined. If such interest were 5 per cent. the annual income from the stock would be £6,250,000, payable quarterly or half-yearly. The stock would be redeemable at par at such times as might be determined by the Treasury, and should be transferable in the books of the Bank of England just as other stock is transferable under the National Debt Act, provision thus being made for the realisation of stock in a shorter period than the stated period of redemption if the holder of the stock deems it necessary to dispose of it.

It is the period in which the stock has to be redeemed that would make the essential difference between the nation, or the industry, having to bear the burden for a long period of years or a short one. The writer suggests that the period of redemption should not exceed the period which has been proved to give a complete return upon capital in preceding years. We have already seen that

under normal conditions the total capital invested in the industry is returned in ten years.

The justice of this proposition is shown by the fact that if the industry continues under the present system and is incapable of yielding profit, then the capital at present invested in it, in the form of buildings, plant, and machinery, would be incapable of producing any interest whatever, and might legitimately be regarded as worthless, save for its break-up value in the market. To provide the agreed rate of interest either the industry or the Imperial Exchequer would have to pledge its credit for a fixed period of years. If the burden is to be borne by the industry then such economies would have to be effected in production as would provide for the annual charge. If the National Exchequer bears the burden, the nation will expect such economies to be effected as will reduce the price and make it possible for the taxpayers as a whole to make provision for the annual interest and redemption.

The latter would appear to be by far the more just method, for the nation would get such advantages in the way of economies in the cost of production and reduction in the price of coal as would recompense it for the payment of interest and redemption, it being, as we have said, the underlying principle of nationalisation to benefit the whole

community. The burden of interest and redemption ought not, therefore, to fall exclusively on the industry itself.

So much for the financial obligations which will be involved in respect of the transfer of the property from private ownership to national ownership. The next and perhaps more important question is : Will the industry under national ownership be able to effect those economies which we have stated cannot be effected under private ownership ? The answer to that important question is that it depends upon the form of administration which is to succeed the existing form of administration.

The form of administration which is favoured by the Miners' Federation is that explained in the following chapter of this book. It is sufficient to note here that this form of administration, which is suggested as the most likely one to produce efficiency in the industry, is by no means a bureaucratic one, as is at present the case with the Post Office, Telegraph, and Telephone services. It is a scheme for decentralisation as far as possible, consistent with the idea of national policy and co-ordination. What are the principal advantages claimed for Nationalisation over the present system ? The first is that the industry can be worked as a single unit. There would be collective production ; work in the existing collieries would be

co-ordinated in such manner as to wipe out all those overlapping activities and sectional waste inherent in private competitive enterprise. The market requirements would in the first place be approximately ascertained and the whole work of production would be in the direction of meeting such market requirements. This would necessitate unification of management, and such management would be unified in districts so as to make provision for the quantum of coal required from that district as determined by the national co-ordinating authority, or Mining Council. It is important to remember that one of the elements of private ownership is that it never did endeavour to ascertain what the approximate requirements would be, and, as a consequence, there have been occasions when the quantity yielded was in excess of the amount required, with resultant unemployment and stagnation in the industry, with depreciation of plant and increase in the costs of production.

The advantages already referred to are what may be regarded as productive advantages, but these form only a part of the advantages which would accrue through the industry being considered as a whole. There would be the additional economies resulting from the elimination of the present wasteful system of competitive buying for individual collieries of the stores required for the con-

tinuance of production, such as timber, rolling stock, ropes, machinery, and other materials, which are now purchased by individual buyers representing separate companies. Each buyer goes to a firm and endeavours to effect a transaction, and 1,452 buyers may be in the market at the same time. If the quantities are short, especially in the case of timber, competition ensues between the buyers, with the result that the company which is willing to pay the highest price is the company which secures the material, regardless altogether of the requirements of its neighbours. This kind of thing proceeds daily and the consequent waste of money is by no means inconsiderable. The quantity of material used yearly in the production of coal is very great and the number of separate transactions is enormous, whereas if the total requirements of the industry for a year, or the requirements of any area in the industry for a year, were approximately ascertained, purchases could be made in bulk, from the makers in the case of machinery, etc., and in the case of timber, either direct from the growers, or through the existing agencies. If these purchases were made, as they probably would be made by the District Mining Council, the advantage that would accrue would be that the material so bought would only go to the collieries to meet ascertained requirements, and, as com-

petitive buying would be eliminated, the effect would be that prices would be reduced to the lowest possible point. An additional advantage would result from the fact that the favoured buyer would be done away with. We have instances on record of colliery companies being unable to purchase in the open market such materials and stores as they required for their proper development, whilst other collieries could get abundance of stores and plant of every description, not for immediate use and therefore for the time unproductive, because the company in question had a larger capital or a more alert buyer, and could afford to buy machinery not required at the moment.

The Co-operative Wholesale Society is an example of what can be achieved by collective buying. No other undertaking in the country is able to buy in bulk to the same extent as the Co-operative buyers, who, in spite of the world of competition around them, succeed in effecting their transactions with the greatest possible economy.

In the selling and distributive sides of the coal industry there would be improvements which cannot possibly be effected under the present system. At the present moment the coal after it has been brought to the surface is generally placed into wagons either owned by the colliery company, hired from the companies who manufacture and own large

quantities of rolling stock, or hired from the Railway Companies. Each wagon owned by the colliery company is filled, sent to its destination, and then returned to the colliery. This causes delays in transport congestion at the docks, and delays in discharging, which often result in interruption of work at the colliery, for under the present system, as the wagons are not pooled (which would enable the collieries to work continuously) the colliery has to await the return of its wagons or of the wagons hired by it. If the wagons were owned either by the National Mining Council, or if they were all owned by a unified traffic authority, the present difficulties arising from private ownership of wagons would entirely disappear. The wagon requirements of each colliery would be ascertained day by day, week by week, or for longer periods, and in proportion to the establishment of effective transport on the railways each colliery would receive its daily quantum of wagons. We would then have no recurrence of the spectacle which we now witness, of one colliery rendered idle through shortage of wagons, whilst a neighbouring colliery continues to work with more wagons in its sidings than it can possibly fill. This, however, may be regarded more as an argument for a unified system of transport than for the nationalisation of the mines, but if nationalisation of the mines precedes

nationalisation of the railways it would still be necessary to have an effective system of pooling wagons in order to provide for the continuous working of each colliery. Demurrage charges are often a considerable item, and these would be avoided in the future, to which extent the industry would benefit.

This, naturally, brings us to the question of the distribution of the coal. How is the coal now distributed? As in the case of buying material for carrying on the colliery, so in the case of selling coal after it has been produced. Each company fends for itself in a world of competitive elements, and the industry suffers in consequence. Each colliery company, with few exceptions, has its own selling agency. It has its sales agent, who has his department at the point of sale in the Coal Exchange and a sales department in the colliery offices. When coal was plentiful, as it was in the years immediately preceding the war, the price which this multitude of sellers was able to obtain was reduced to the lowest point at which the most successful concerns could afford to sell it. When the demand has been strong prices have shown an upward tendency, so that the poorer companies have been able to make profits in the boom period and have thus been enabled to carry on through the inevitable period of slump. The cost of all these multifarious transactions has been very

great, and a tendency has sprung up in recent years on the part of the colliery owners themselves to abandon the actual selling of the coal by individual companies, and sales agencies have been created through which flows that part of the output of coal which goes to the market.

The whole of the selling transactions have thus become a separate department, which has resulted in economies to the companies, and, because of the enormous power which has been placed in their hands, enormous profits to the agencies themselves. It was, and is, the custom of the bigger colliery companies, when effecting amalgamations of certain collieries, some of which might be uneconomical in production, to stipulate that they should have the sole selling agency of all the coal produced, so that whether or not the colliery on its productive side was being carried on at a profit, profit would be derived through the selling transactions, which profit would be kept separate for the purposes of the sales agency. The advantage of all this is transparent, and if economies can be effected by the coal being carried to its destination by a uniform system of transport, still further economies could be effected by a unified system of sales.

It has been seriously suggested that the fact of putting power to sell coal in the hands of the National or District Mining Council

would result in putting the Government into the position of a coal factor, the effect of which would be to raise international complications. For example, if the Government were to raise the price of coal to any country which has hitherto got its coal from this country through individual buyers, the Government of such country might consider the raising of the price as an act of hostility. The answer to that criticism is that the scheme of nationalisation proposed is a scheme which delegates the whole responsibility for carrying on the industry to a National Corporation, or Mining Council, which would act apart from and be uninfluenced by any political consideration. This argument might well be applied to a bureaucratic administration, but it has no more validity when applied to a National Corporation such as is proposed to be set up than it would have when applied to the unified districts under capitalism; for it must be assumed, in the last analysis, that any Government in its foreign relations must be held responsible for the acts of its own people.

As to the distribution of coal in our own realm, we have seen that the waste of human effort, resulting in increased prices to the consumer, has been enormous. This is due to the great number of people engaged in the distributing trade. To commence with, there

are the wholesale buyers, known as the middlemen, then the coal factors, the coal merchants, and, finally, the dealer, or actual distributor. The mere establishment charges of the firms engaged in the distributing trade in London alone are £800,000 per annum, and their total net profits come to £500,000 per annum, whilst the total cost of distribution of house coal comes to £3,000,000 for London alone. There are in the County of London no fewer than 2,280 merchants and dealers, and in the city of Glasgow no fewer than 622, all of whom have their separate offices, separate staffs, and separate transactions. The total cost of this system is greater than the actual labour cost of getting the coal at the collieries. The wages costs at the collieries in March, 1919, were 13*s.* 5*d.* per ton, whilst the cost of distributing the coal, excluding railway rates and wagon hire, was 12*s.* 10*d.* per ton in London, and in Glasgow 14*s.* 9*d.* per ton.

In contradistinction to this position the Co-operative Wholesale Society has been enabled, through their system of co-operative buying and distribution, to sell their coal even with the artificially regulated prices which had to be obtained in order to prevent a breach of the regulations, at from 2*s.* 6*d.* to 5*s.* per ton cheaper than the other dealers. This has gone back to the purchaser in the form of dividend, but the price obtained by

the other dealers has either been used by them in their more expensive form of administration, or has gone to themselves alone in the form of profit.

We thus have a clear example of what can be done by a unified system of distribution, and much more could be done by a unified transport system, for it is on record, from figures supplied by the Coal Mines Department, that during the war they eliminated waste in the transport of coal to the extent of 700,000,000 coal ton miles per annum. These economies are so obvious that the colliery owners on the Coal Industry Commission themselves declared :—

"We recommend that Local Authorities should be given statutory powers to deal in household coal, not as a monopoly, but in competition with private dealers or co-operative efforts, subject to the provision that any loss sustained in such dealing shall not be a charge on the rates."

They thus agreed that even with the continuance of, and side by side with, the competition of the private dealer it would be in the interests of the nation to have a partially unified system of distribution, even though it were on a small scale. We deliberately state the view of the colliery owners here, as we deliberately stated it in regard to the ownership of the minerals in the earth. In both instances it was regarded

by the colliery owners themselves that it was in the national interests that a certain form of competition should be eliminated. We have seen that unification in production, in buying, in selling, in transport, and in distribution would result in economies, admitted economies even with the continuance of private ownership. We assert that the extension of unification so as to cover the entire industry both in its productive and distributive sides can alone effect the economies which we have shown to be essential to the solvency of the industry in the future, and the political aspect of all this is summed up in the phrase of Mr. Lowes Dickenson, "A society that is to be politically stable must be economically independent."

What are the principal objections levelled against the idea of the nation owning this industry, and working it in conjunction with the people actually engaged in the production of the coal? These have been variously stated, but the principal ones, however, may be given as follows: The first is that the State has no right to engage in production, as the function of a Government is to govern the people within its territories; and the second is that if the nation owned an asset and worked it as a national undertaking the costs of production would increase because initiative would be destroyed; that with the

disappearance of individual initiative the industry would cease to be self-supporting and would become a burden on the nation instead of a blessing, and in the course of time it would ruin every other industry dependent upon it; and that its administration must be bureaucratic in character and consequently incompetent. The assertion has been made that whenever the State has touched production, or whenever it has attempted to run a public service, the methods that it has necessarily had to adopt have been such as to destroy any capacity for expansion, and to reduce administration to such uniformity of action as to make it quite impossible to meet the demands of industry or of the nation generally.

Let us examine these objections. Surely the view that the State has no right to engage in production is an arbitrary one, though very naturally held by those who believe that they alone have the right to engage in production. The right of a Government or of a Nation must be what the majority of the people deem to be right, for right in its legal aspect varies and is varied in accordance with the wishes and desires of those who are strong enough to influence the making of laws. If the representatives of the people in a Government feel that it is right to do this or that, and such feeling is not disturbed by any opposition from the people,

or is, on the other hand, supported by the acquiescence of the people, then it is right. The Government went in for production during the war, and the people made it right by their approval. Past Governments have established and maintained great public services, a step which was supported by the people, and which was therefore right. It is indeed a thin philosophy which declares that a Government has no right to do this or that, when it is the people themselves composing the State who are the arbiters of what is or what is not right. When, however, we come to examine the capacity of a Government to undertake successfully the carrying on of a great industrial undertaking, then we are on other ground altogether. Whilst we may be skating on thin ice in criticising the right of a Government to act, we are on safe ground in exercising our critical faculties upon its capacity to do so.

The writer finds himself in agreement with those who think that a Governmental body, composed of politically-minded people, or an administration composed of Civil Servants, educated and trained for the administration of things, would be incompetent and unfit for the great work of industry, and it is because of such unfitness that lack of initiative has characterised Governmental activities in the past. If it were proposed that this great industry, so vital to the well-

being of the nation, should be handed over to politicians or those nominated by them, of the civil servant class, we could agree that the last state of the industry would be worse than the first.

Critics fail, therefore, either deliberately or through want of understanding, to grasp the real conception behind the demand for the nationalisation of the mines. It is perhaps unfortunate that the word " nationalisation " has to be used, for it immediately links up the proposed scheme with the actual operations of the Government in regard to public services, both in the past and in the present. The writer has shown in the preceding chapter of this book how far removed is the modern idea of working the industry from the old ideas of nationalisation which have preceded it. In this idea we see the fundamental difference in that the actual work of carrying on the industry in all its different aspects, both technical and commercial, will be performed by the people who are engaged in the industry now. Those people who, whilst not engaged themselves in the work of production, have put their money into the industry, and who, in consequence derive from the industry in the way of profit the margin between the total cost of production and the total price obtained for the coal will go out. Everybody engaged in the technical side of mining, down to the lowest manual labourer,

will be retained in the industry, or at least will have the option of remaining in it. Such men have made a life study of the important work of production, and they know more about it than anyone else, and the Nationalisation scheme makes provision for the continuance of their activities, but in such changed circumstances as will give effect to their work in a much more useful and economic manner than is permitted to them at present.

As things are, it is the influence of capital that has resulted in the idea of the ownership of industry for capital, and as we cannot conceive any other form of ownership to replace capital ownership, except national ownership, we are compelled to regard the transference of ownership from capital to the nation as the first essential step. If we could drop the term " nationalisation " because of its limited and bureaucratic implications, and always use the term " national ownership " the idea of the administration of the industry and of the work of production being continued by the workers actually engaged in the industry would come more naturally to our minds. We should also be in a better position to analyse the allegation that the downfall of private ownership would carry with it the downfall of individual initiative.

In the last chapter of this work we deal with a number of motivations in industry,

but it must be seen from the foregoing that whatever initiative is displayed in the industry must come from the people who are actually engaged in it, and the contradictory position in which the colliery owners find themselves is expressed eloquently by Lord Gainford, who, when before the Coal Industry Commission, said of those men who provide the technical, commercial, and practical knowledge in the industry,

> "I am authorised to say, on behalf of the Mining Association, that if owners are not to be left complete executive control they will decline to accept the responsibility of carrying on the industry; and though they regard nationalisation as disastrous to the country they feel they would, in such event, be driven to the only alternative—nationalisation on fair terms."

Do the actual legal owners now exercise executive control? In law they do, in practice they do not, and the anomaly lies in the fact that executive control, whilst being exercised by practical men, has a direction given to it by non-practical men, a direction which is insisted upon throughout the whole industry—the direction, in fact, of the shareholders. It is thought that the initiative of practical men will disappear because another direction is given to them, a direction to produce coal for the nation in the quantity required and at such price as will ensure life and prosperity for every other industry in

the country. To some extent this would be a change, but it would be a change in an upward direction. The little initiative that is now displayed is infinitesimal compared with that which would be displayed if the technically-minded men, the practical men, and the commercial men, had vested in them by the nation, the responsibility of successfully running the whole industry.

The fact that the nation would express approval or disapproval would provide a far higher quality of initiative than that provided by the approval or disapproval of a small group of people, who have been fortunate enough to have inherited money, or secured it by other means, and who have placed it, without knowledge or practical experience, in the industry.

The workman does not at present display the initiative that he does display because of high wages. He is not sufficiently interested in making the particular concern for which he works a success, because to him the success of the undertaking means only the creation of profits for the shareholders. The system under which he works has made him interested only in seeing that his wage contract is observed by the employer, and if the terms of such contract are faithfully observed he is satisfied. He is not concerned in any way with the question as to whether the mine is being worked to the best advantage,

whether there has been waste of material, waste of coal or waste of human labour. His trade union activities have been characterised by the motive of compelling the employer to observe the wage contract down to the smallest detail. Yet these workmen, comprising as they do between 1,100,000 and 1,200,000 men (and, with their families, represent one-tenth of the whole population of the country) in conjunction with the technical workers in the industry, have brought it to whatever position of influence the shareholders claim for it at the moment.

The wage contract, both for the manual and for the technical workers, is not in itself an instrument which can generate real initiative. It is because of the growth of education amongst the workers, both manual and technical, that we have arrived at a point of view which demands greater scope for individuality, and for self-expression on the work in which they are engaged. And for this the wage contract no longer suffices. Shareholders, however, who would pin men down to the wage contract, have misread the portents of the present day.

Men now demand status in industry, and nothing can resist such a demand. They have arrived at the stage when they say, "We want to be responsible human beings vested with such power in proportion to our place in industry, as will enable each of us

to feel that he, as a unit, is personally responsible for the conduct of the industry. Our fellow men feel likewise, and we desire to stand in such relationship to other industries as will put us in a new relationship with Society. At present we occupy the status of wage slaves, but we desire to occupy the status of free men."

During the era of modern capitalism the miners have enjoyed the status enjoyed by other workers, precisely the same status as that enjoyed by inanimate raw material, or by horses and asses engaged in production. The working class has stood in the market place. Its own person was the commodity, labour power, that labour power was for sale, and a human personality went with the transaction. Every human being engaged in the industry has held the status of a commodity to be bought, if there were a willing buyer. But improved education has made the continuance of such a status impossible. The labourer, besides having labour power to sell is also possessed of a human soul which is feeling the urge of strong aspirations. He seeks to be something different in the future, and to use his personality to influence and direct the processes in which his physical and manual energies are engaged. He wants a greater share in the direction of industry. The miner wants to be in his job as a complete human being. He wants to know the

social purpose of his work; in short, he wants to feel the joy that comes to a man whose whole personality is impressed on the object which he is in the process of creating, instead of being mere plastic clay in the hands of a system which turns his whole being into a marketable commodity. His new status will be that of a partner in industry. Manual labourer and technician will engage together in the mine, and sell their commodity, labour, not to a non-labouring shareholder, but to all men in their calling, as their contribution to the production of the finished article.

Such are the thoughts which are now expressing themselves in the minds of men, and nothing can prevent the realisation of such thoughts. They are thoughts born of the desire to exercise initiative, and in the mining industry itself they take the form of a claim to run the industry in such a manner as will yield the greatest economic results to the nation, in order that the workers may receive back from the nation such a reward as will place them in a far better position than they occupy now. They wish to be judged by their works, as they, in their turn, would judge other workers by their works, and the real test would be whether all workers had done so well as to merit the approval of their fellow men, or so badly as to deserve their condemnation.

The lure of personal gain in the shape of

money or profit does not provide initiative. Initiative is a form of activity which is born of the will to live, a will which is common to the animal kingdom and to mankind. The will to live is the measure of our activities, but in an educated community it is transformed into a will to live better. The will to live better has been learnt from those who have derived profit from industry, though they have gained that profit at the expense of others who were less able to exercise such a will. Education, however, has revealed a means by which the majority can live better, the principal revelation being that the will to live better can be best exercised when the majority of the people exercise it at once and altogether, for the unanimity of such exercise excludes to a greater extent the will of an individual, or of a group of individuals, being exercised at the expense of others.

Such is the proper explanation of initiative, and it is initiative which will be stimulated by national ownership of the industry, combined with joint control between representatives of all the workers in the industry, both manual and technical, engaged in production, and representatives of the entire people. The actual scheme which gives expression to this object and desire we will now proceed to elaborate.

CHAPTER VIII

SELF-GOVERNMENT

In this chapter we deal entirely with the question of self-government in the Coal Mining Industry, which form of government must, under Nationalisation, take the place of the government characterised by private or individual control. The form of government which excludes from the industry the influence which we have attempted to define and analyse in the preceding chapters, and which we have set down as the principal cause of the decline in the industry generally is that form of influence known as capitalist or shareholders' influence.

Any discussion on the question of the control of industry by the men actually engaged in it is now beyond the academic stage. It has reached the practical point. It is a question which is not influenced by any political questions whatever, and it should be influenced by no such considerations. It should be influenced only by considerations of the most efficient con-

duct of the industry. It is not proposed to describe the industry as it would exist under that form of industrial organisation popularly known as Guild Socialism, for that presupposes that practically all industries would be in the same position as the mining industry would be under this form of control. Control in the mining industry, which would be of a Guild character, will precede workers' control in most other industries, but it is only when a number of industries are similarly controlled that we approach the point when Guild Socialism is an accomplished fact. In the latter case there would have to be a growth of a mechanism by which the dependence and inter-dependence of industries were well defined; where the purchase and sale of commodities produced by the various industries would have to be regulated by a general plan and common consent. We, however, are dealing with one industry only, namely, the Coal Industry, an industry which occupies the foremost position in the industrial hierarchy, and which, because of the growth of ideals amongst the workers engaged in it, is destined to be the first industry to be self-governing.

As we have proved in a previous chapter there has been a general decline in technique, a decline in the physical means for production, a decline in machinery, in rolling stock, and in the character of the underground

workings, but the most remarkable feature in connection with the industry is the realisation that during the past few years the workers, both technical and manual, have for the most part been divorced from any active participation in the control of the industry, even when such participation was obviously necessary for the prevention of the decline.

A growing consciousness that all is not well in the industry, that the men engaged in it are, like their forefathers, bereft, during the whole of their working lives, of anything like a share in the direction of the industry, and in the responsibilities of its government, is, in the opinion of the writer, the most significant factor of all. It is this fact that has left the workmen generally in a state of antagonism towards the present system of control and administration. In the past it has been a characteristic of this industry that there has been no co-operation between the technical people and the manual people, and neither class has been able to exercise freedom of initiative, or to express itself in the industry.

It may be, and indeed has been, suggested that this desire is to some extent artificial; that it is only felt by a few select spirits amongst the vast numbers of men engaged in the industry, and it has even been suggested that only a few among the leaders

of the men entertain these views, and they are determined to impress them upon their followers. This, however, is by no means the case, as it is known to those who study the industry that the majority of schemes for its future control have emanated from the men who are actually engaged in it.

The scheme of control recommended by Mr. Justice Sankey, and the scheme formulated in the Miners' Federation Bill, both of which are set forth as appendices to this book, have found their keenest and most determined critics among the actual workers, technical and manual, at the collieries. It is but natural that any scheme of control affecting the lives of the workers engaged in the industry, both managers and labourers, should be criticised by them for they, after all, have to spend their working lives under the scheme.

The workers have arrived at a stage at which, unless expression is given to their desire for responsibility and control over the industry in which they are engaged, the industry cannot rise superior to the weaknesses which we have shown to be manifest in it. If output is to increase under the present system, it must increase because of slight improvements which may take place here and there in the various mines, where the influence of the shareholders is subordinated to the will of strong men engaged in the

technique of production who are consequently given greater scope for self-expression than in other mines.

We will now proceed to analyse the scheme which has been developed for the government of the industry by the miners themselves. It is the first constructive scheme that has been put forward for the government of a particular industry by the workers engaged in it free from the influence of the holders of capital, or the trustees of the holders of capital. It makes provision for the government of the industry by those who are engaged in it, with the assistance of representatives of other industries and representatives of the State.

At the present stage of development, this is desirable from the point of view of keeping the industry in its proper relationship to the rest of the nation. The essence of the whole scheme is the intense desire to keep the industry out of the domain of bureaucratic influence. This is essential in any scheme of control, and from this point of view the scheme must be considered by everyone.

The industry, however, is national in its character, and provision must be made for its control as a national industry. It must be regarded as one great undertaking, almost as one great works, and for this reason its activities must be co-ordinated and must be more or less of an uniform character. Buy-

ing and selling must be buying and selling for one undertaking. Its finance must be the finance of the whole industry. Its pay system must be the pay system for the whole. It must be regarded as a whole in relation to other industries. It will be an asset owned by the nation and for this purpose there must be a national organisation which reflects the industry in its national aspects. Therefore, the Miners' scheme states :—

"There shall be established by his Majesty by Warrant under the sign manual, a Mining Council, consisting of a President and twenty members, ten of whom shall be appointed by his Majesty and ten by the Association known as the Miners' Federation of Great Britain."

"The members of the Mining Council shall devote their whole time to the business of the Mining Council."

> "(*a*) Every colliery and mine (including all mines, quarries and open workings of ironstone, shale, fireclay and limestone, and every other mine regulated under the Metalliferous Mines Regulations Acts, 1872 and 1875, but not including mines, quarries, or open workings of minerals specified in the First Schedule to this Act), whether in actual work, or discontinued, or exhausted, or abandoned, and every shaft, pit, borehole, level, or inclined plane, whether in course of being made or driven for commencing or opening any such colliery or mine, or otherwise, and all associated properties (including vessels, lighters, railway rolling stock, and all works, including works for the

manufacture of by-products, in the opinion of the Mining Council belonging to any mine undertaking or connected with any colliery or mine, and every house belonging to the owners of any such colliery or mine, which, in the opinion of the Mining Council, is usually occupied by workmen employed at such colliery or mine), (all of which are herein included in the expression " mine ") ; and

(*b*) all coal, anthracite, lignite, ironstone, shale, fireclay, limestone, or other mineral, excepting the minerals specified in the First Schedule to this Act, whether at present being worked or not worked, or connected or not connected with any mine, beneath the surface of the ground (all of which are herein included in the expression " minerals ") ; and

(*c*) all rights and easements arising out of or necessary to the working of any mine or the winning of any mineral, including all mineral wayleaves, whether air-leaves or water-leaves, or rights to use a shaft, or ventilation or drainage or other royalties, lordships, or rights in connection therewith, whether above or below the ground (all of which are herein included in the expression " rights ")

shall be transferred to, vested in and held by the Mining Council in their corporate capacity in perpetuity, and shall for all purposes be deemed to be royal mines, and the minerals and rights thereof respectively."

The duties of the Mining Council, once the preliminaries of the transfer have been completed, will be to :—

"Open and work mines and search for, dig, bore, win and deal with minerals and generally to carry on the industry of mining, distributing, vending, and exporting, together with all other industries carried on in connection therewith."

In short, they would represent the industry as a whole, and their form of election and their conduct would reflect generally the views, aspirations, and achievements of all persons engaged in the acts of production, distribution, and consumption.

The link between the Mining Council and the Government would be the Minister of Mines, whose function would be to provide the channel, so long as this industry is the only one so controlled, through which the desires of the nation could be expressed in relation to it. Subject to this arrangement the industry would be worked by the people engaged in it, as the ownership of the industry by the nation would be clearly represented by the half of the Mining Council to be appointed by his Majesty or by the Government. It would indeed be unthinkable that it should be otherwise, as a true balance can only be maintained by the recognition of the principle that no man or particular group of men should have the absolute right to own that which Nature has provided for the whole of the people without discrimination or distinction. Such an anti-social view is repugnant to our communal

instincts, and it has never formed part of the policy of the men engaged in the industry. In other words, such a policy would be Syndicalist in its character, and for that form of industrial organisation the vast majority of British workers have no desire.

As the Mining Council would be elective in its character, half of the members being appointed in open Parliament, and half by the workmen engaged in the industry, the only true means of providing effectively for the interests of the consumers and the desires of the producers is assured. The first duty of the Mining Council in its effective work would be to divide the coalfield into districts, again for the specific purpose of destroying the ill effects of bureaucratic control in the industry. The scheme provides :—

"The Mining Council shall, for the purpose of carrying on and development of the mining industry, divide Great Britain into districts, and shall in each district constitute a District Mining Council of ten members, half of whom shall be appointed by the Miners' Federation of Great Britain."

The same elective process takes place for the decentralised District Mining Council as in the case of the National Mining Council, and it will be the function of the former to co-ordinate the work of the industry in the separate geographical area over which they

have jurisdiction, and also to develop the industry so as to conform to the general plan of development as a whole laid down by the National Mining Council.

In these District Mining Councils there will be all the freedom necessary to ensure that the peculiar geological conditions of each district may be understood and development proceed in accordance with the experience, technical and manual, theoretical and practical, necessary to obtain the greatest possible efficiency from each District. The principal check upon District Mining Councils is that no action taken by them shall clash with or prejudice the operations in, or the safe conduct of, the industry in any other District. The District Mining Council, therefore, will be vested with autonomous powers, which would be denied to it if every detail of its activities had to be determined for it by a bureaucratic National Mining Council.

In addition to the District Mining Councils, which may conceivably be from fifteen to sixteen in number, corresponding with as many well defined geographical areas, there will be still further decentralisation. For this purpose, and for the purpose of granting control and responsibility to a still further number of workmen, there would be set up at every colliery or group of collieries, as may be considered most efficient, a Pit Council, composed of ten members, half of

whom shall be members of the Miners' Federation and be elected by the workmen at the mine or group of mines, and the other half shall be elected by the District Mining Council. This District Mining Council shall delegate to the Pit Council such of their powers as they may deem necessary in order to enable them to work the mine or group of mines.

It is suggested that one half of the Pit Council, as in the case of the District Mining Council and the National Mining Council, shall be directly appointed by the organisation known as the Miners' Federation of Great Britain, and it is assumed that the other half would be composed of technical experts, but we must make this reservation : the Miners' Federation does not at present embrace within its ranks the whole of the technical workers engaged in the industry, and it has only made provision in a very limited way for the inclusion of the managerial and technical staff. There has been considerable prejudice amongst the manual staff towards the managerial staff, which, in the writer's opinion, is quite unwarranted when the position of the manager in industry is properly understood. This prejudice has been caused by the pressure brought to bear by non-technical persons, such as the directors of colliery companies, upon their managers in the conduct of their work, with the result that

the managers have often stood in a strained relationship to the men. This, however, must disappear in time, for with the growth of appreciation on the part of the manual workers of the extremely important functions performed in industry by the technicians, the oneness of all workers will be understood and recognised by all. In fact the whole success of any scheme of workers control is dependent upon the accord and understanding between the technical and the manual workers.

What, in fact, is the actual position of manager and workmen at the present time? The colliery manager after an arduous period of educational training, which is getting more and more severe every year, passes his examination and obtains his certificate of competency, but once he is a manager, the scope of his activities is, generally speaking, limited to the particular colliery in which he is engaged. If Nature has been kind to him in the fact that the seams of coal which he has to work in conjunction with his workmen are placed in uniform measures of thickness, have sound roofs, comparatively little gas, and yield a regular and uninterrupted output, then he is a good manager. If, however, it has been his ill fortune to strike a colliery in which millions of years ago the strata had been broken up, and he has faulty ground, bad roof, thin measures,

and poor coal, then he is a poor manager. His ability is measured in output and costs, and not by the actual hard facts he has to grapple with every day. A few years ago it was possible that he might, as a final stage in his career, become a colliery agent, but that possibility now recedes further and further into the background. For who now for the most part is the colliery agent? He is the son of an influential director, who has had a university education and draws a greater salary than the manager, as a result of picking the colliery manager's brains. Seventy per cent. of the colliery managers are men who do not get more than £400 per annum. Surely it cannot be said that it is the salary which provides them with initiative! They are ill-paid and they ought to be much better paid. They occupy a tremendously responsible position, and their responsibility is not appreciated half as much by any private directorate as by competent men who know the industry through and through.

We speak of the colliery manager as a friend. We know his vocation, and we know it to be a valuable one, and we know that Nationalisation will provide for him such opportunity for efficiency and display of initiative as cannot in the very nature of things be afforded him now. The writer now indicates the possibilities for the manager's

initiative under the miners' scheme for Nationalisation.

The colliery manager at a particular pit will produce his coal with the co-operation of the men in his employment, and together they will be responsible for the production of coal in such quantities as are determined by the District Mining Council. They will be expected to produce it at an economic cost (to be determined by the District Mining Council) consistent with the maximum safety and security of the men engaged. If by his tactful energy and experience, combined with the experience and effort of the men at his colliery, the manager succeeds in fulfilling the duties laid down for him at his particular pit, and wins thereby the approval of the whole of men engaged at the pit, there are still greater openings for him, for that does not limit the scope of his possibilities. If he is a good man, a technical man in the best sense, his next step upwards is to be a technical adviser to the District Mining Council, which is responsible for the administration of the whole of the mines in the Council's district; to be responsible for the introduction of ideas and systems for the purpose of eliminating unnecessary human labour and giving the community coal at an economic cost. He will be responsible for eliminating or for lessening the competitive elements in that geographical area and will

have to regard that area as a whole to be exploited and developed in such a manner as will give the maximum amount of coal at a price reasonable to the community. If he accomplishes that and wins the approbation of a whole district, it should gratify an ambition which would absorb the whole of his being.

But even that attainment does not exhaust the possibilities for a scientific, ambitious man. The National Mining Council will be composed of men of technical and practical knowledge, who will be responsible for the national policy. If such a man has been commended he can then reach the zenith of his ambition, and secure an important appointment as a scientist or as a technical expert, and would sit on the National Mining Council. It would be his business, if he were a geological expert, to conduct a geological survey of the whole of the coal deposits discovered or undiscovered, and to map out new areas and determine how they were to be developed. His qualifications would lead him to the position of having to determine largely where a particular pit should be sunk and what class of machinery should be introduced. He would occupy a far greater position than the position of the most favourably placed technician of to-day. There is open to him a vista which cannot be opened up to him under the present system. What

is the initiative managers now possess, as compared with the initiative that would drive them forward to win the approbation of a nation?

It is possible that in the early stages the technical workers would seek to be represented through their own organisations as distinct from the organisations of the manual workers, but, sooner or later, we will arrive at the stage when the technical men, men of great ability, due to natural qualities and careful and liberal education, will be comprised in one organisation with the manual workers, and only be segregated into separate groups for the purpose of furthering their technical or trade interests as the case may be, and for the progress of the industry as a whole. Every worker will ultimately find himself in one organisation whether he be a mere labourer or colliery manager, whether he be a colliery clerk or that highly skilled worker, the mining surveyor. Technical and manual representatives will be appointed in due course by the parties in the industry as a whole, but in the meantime we will witness the election to the Pit Council, the District Council, and the National Mining Council, of men elected by different organisations of the workers, but, none the less, by workers.

As to the finance of the industry, the National Mining Council would be responsible

to the nation, for it must keep such a system of accounts as can be annually presented to Parliament for criticism and correction by the nation as a whole. The balance sheet of the industry will thus be made available for the nation every year, and a statement of profit and loss for every mine in the country will be made public. No mine will escape whether it be large or whether it be small, or whether it be worked at a profit or at a loss. All monies and credits will be vested in the National Mines Account, of the National Mines Bank. Its credit will be the credit of a solvent industry, backed by the national credit. The National Mines Bank will have its branches in every geographical district so as to make provision for such ready financial transactions as may be required inside the industry, or between the industry and the rest of the world. Its cheques will be honoured everywhere, and it would have as great facilities in the clearing houses of the world as have the cheques drawn by capitalists at the present time.

If at the end of a financial year a balance of profit were shown from the total working of the industry, such balance could be used, if necessary, to form a sinking fund, for the further technical development of the industry or a portion only would be used for this purpose and another portion set aside for the improvement of the social and economic

position of the workers engaged in the industry, and, finally, a still further portion might be utilised for a reduction in the price of coal, or, alternatively, as a contribution from the industry to the National Exchequer to provide for the needs of the nation, either in their domestic or international aspects. It might be that a reduction in the price of coal to the nation would be more useful than making a contribution to the National Exchequer, but that could best be determined by the requirements and the standard of education of the people at the time.

We now see the secret of the claim for the Nationalisation of the Mines. It will be the reason for claims in the future by the workers in other industries for the nationalisation of all industries, because only through the removal of the influence of the capitalist in industry can the workers experience the gratification of that impulse for freedom for expansion, and for self-expression, which they feel in their inmost beings. Whether he be politician or priest, whether he be scholarly economist or ignorant capitalist, none can prevent the realisation of those aspirations.

It may be said, and is said, that the average worker is only interested in drawing wages, and that he is not concerned about output or the general conditions of industry ; that he pays no attention to the general con-

ditions applying to his safety; and that he never will pay any attention to the cost of production. It is, indeed, a great step forward to the time when the miners will be able to elect their Pit Committees, their District Mining Councils, and the National Mining Council, in order that their ideals may be put forward, both by the managerial side and the manual side. This change cannot take place in an instant. Time alone will complete the process which will end in the workers most removed at present from any share in the direction of the industry being willing to undertake their share in the work, no matter how insignificant, of directing the industry in future. It may take from fifteen to twenty years, but this is a short period in the history of the working class, and a short period even when compared with the history of the present industrial system. We would expect that in the first instance there would be a willingness on the part of a large group to delegate responsibility to others, to the Pit Committee, but, as they grow in experience of the work of their committee, their social outlook will grow also, and as that grows so will grow their willingness to accept responsibility. Interest will be the father of still greater interest, and the present indifference on the part of lowly situated men will be reduced to smaller and smaller proportions. Men may act blindly

in the initial stages of election and without interest, but eventually there will be an increasing unwillingness to delegate responsibility to others. There may never be a time when men will be unwilling to delegate responsibility, but as time proceeds such unwillingness will diminish, and we shall witness on the part of the manual labourer as keen a desire for the well-being of the industry as a whole, as there will be on the part of the man who wishes to create in his industry the highest technical standards of his time.

APPENDIX I

COAL INDUSTRY COMMISSION ACT, 1919

REPORT

BY

THE HONOURABLE MR. JUSTICE SANKEY, G.B.E.
(*Chairman*).

TO THE KING'S MOST EXCELLENT MAJESTY

MAY IT PLEASE YOUR MAJESTY.

I HAVE the honour to present a further Report in pursuance of the Coal Industry Commission Act, 1919.

1. RECOMMENDATIONS

I

I recommend that Parliament be invited immediately to pass legislation acquiring the Coal Royalties for the State and paying fair and just compensation to the owners.

3. METHOD OF PURCHASE OF COAL ROYALTIES

XIX

The value of each individual royalty owner's interest should be assessed by Government valuers with an appeal to a specially constituted tribunal.

XX

Such valuers should take into consideration—

(*a*) the properties where coal has been developed ;

(*b*) potential properties where coal is known to exist and is awaiting development ;

(*c*) surface wayleaves and shaft rent in certain cases which destroy the amenities of the neighbouring property ;

(*d*) the usual royalty charged in the district for the class of coal in question ;

but not—

(*e*) properties in which the existence of coal is uncertain but suspected ; and

(*f*) underground wayleaves.

XXI

I also suggest that Parliament in laying down the principles of valuation should consider whether it is not possible to fix a total maximum sum which would form a pool to be allocated between the various individual royalty owners in accordance with the foregoing or any other principles which Parliament may adopt. The advantage of this plan would be that the State would at once know its total maximum liability.

II

I recommend on the evidence before me that the principle of State ownership of the coal mines be accepted.

5. METHOD OF PURCHASE AND CARRYING ON OF THE COAL MINES

XXXV

It is suggested that the State should purchase all the collieries, including colliery buildings, plant, machinery, stores and other effects in and about the colliery at a fair value subject to the next paragraph.

XXXVI

In addition, expenditure on development of the collieries (including the provision of houses) incurred after a date to be fixed and with the consent of the Controller of Coal Mines should be repaid with interest at the rate of 6 per cent. per annum from the date of the expenditure provided that if such expenditure has become remunerative before the date of the purchase, the amount of the sum payable by way of interest should be reduced by the amount of the profits earned thereon.

XXXVII

In further addition the State should take power to purchase real and movable property directly associated with the working of the colliery not comprised in paragraph XXXV, other than the assets at the colliery, at a fair value.

XXXVIII

In the case of composite undertakings the owners should have a right to compel the State to purchase, and the State should have the right to compel the owner to sell the whole undertaking if, in the opinion of an arbitrator, the severance of the undertaking cannot be economically or commercially effected. By composite undertaking is meant an undertaking where a company or firm is carrying on a colliery in addition to and in conjunction with another works, *e.g.*, a colliery and a steel works.

XXXIX

Without prejudice to the powers recommended by the last paragraph, it is a matter for careful consideration whether the coke and by-product industry, which is at present only in its infancy, should not be allowed to remain in private ownership.

XL

It is suggested that the bulk of the present officials engaged in the coal mining industry, including the managing directors of companies, should be offered an opportunity of remaining on at their present salaries on a 5 years' agreement together with any increases awarded from time to time.

XLI

The Civil Servant has not been trained to run an industry, but the war has demonstrated the potentiality of the existence of a new class of men (whether already in the service of the State or not) who are just as keen to serve the State as they are to serve a private employer and who have been shown to possess the qualities of courage in taking initiative necessary for the running of an industry.

XLII

Hitherto, State management of industries has on balance failed to prove itself free from serious shortcomings, but these shortcomings are largely due to the neglect of the State to train those who are to be called on for knowledge and ability in management.

XLIII

The experience of the last few years has, however, shown that it is not really difficult for the British nation to provide a class of administrative officers who combine the strongest sense of public duty with the greatest energy and capacity for initiative. Those who have this kind of training appear to be capable in a high degree of assuming responsibility and also of getting on with the men whom they have to direct.

XLIV

Finally, under State ownership it is always possible to lease a mine to particular persons on terms agreeable to those who are engaged in the production of coal thereat, and this principle can be applied not only to a mine or a group of mines contained in a particular district, but to a composite undertaking.

N.B.—If and when the coal mines are acquired by the State any just claims of pioneer boring companies should be recognised, and the State should take power to carry out exploratory borings.

6. THE SCHEME FOR LOCAL ADMINISTRATION

N.B.—The propositions put forward in this scheme must not be regarded as recommendations, nor does the scheme aim at being comprehensive. The time at my disposal only allows me to make suggestions which it is hoped will be useful to Parliament.

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(i) THE LOCAL MINING COUNCIL

N.B.—*The object of this part of the scheme is to take advantage of the knowledge of the workers by allowing them to sit on the Councils for the purpose of advising the manager and to give them an effective voice in all questions where their own safety and health are concerned.*

XLV

Every mine shall be under one duly certificated manager who shall be responsible for the control, management, direction and safety of the mine and the extent and method of working, provided always that such manager shall not be personally liable for conforming to any lawful order for safety made by the District Mining Council.

XLVI

There shall be established at each mine a Local Mining Council who shall meet fortnightly, or oftener if need be, to advise the manager on all questions concerning the direction and safety of the mine.

XLVII

The Council shall consist of 10 members of whom the manager, under-manager and the commercial manager shall be *ex officio*. Four members shall be elected by ballot by the workers in or about the mine and the remaining 3 members shall be appointed by the District Mining Council. The members shall hold office for 2 years.

XLVIII

It shall be the duty of the Council to report fortnightly to the Minister of Mines and to the District Mining Council any fall in output and the cause thereof.

XLIX

If the manager refuses to take the advice of the Local Mining Council on any question concerning the safety and health of the mine such question shall be referred to the District Mining Council.

L

The contracts of employment of workmen shall embody an undertaking to be framed by the District Mining Council to the effect that no workman will, in consequence of any dispute, join in giving any notice to determine his contract, nor will he combine to cease work, unless and until the question in dispute has been before the Local Mining Council and the District Mining Council and those Councils have failed to settle the dispute.

LI

There shall be a commercial manager of the mine or group of mines (which office, if the District Mining Council think fit, shall be vested in the mine manager) whose duty it shall be, subject to the control of the manager, to arrange for the purchase and supply of stores in the mines and to take steps subject to the control of the district commercial manager for the disposal of its output.

N.B.—It is thought that some of the present managing directors of companies might be appointed the commercial managers.

LII

Each mine shall send in a costing account in the approved form to the District Mining Council.

LIII

The workers at each mine shall be entitled to an output allowance to be ascertained in an approved manner and divided among them half-yearly.

(ii) THE DISTRICT MINING COUNCIL

N.B.—*The object of this part of the scheme is to prevent the bureaucratic running of the industry by causing it to be controlled locally by a Council of fourteen, upon*

which there is equal representation for the miners, for the consumers, and for the persons acquainted with the commercial and technical side of the industry.

LIV

There shall be established in each mining district a District Mining Council upon whom shall rest the main executive responsibility of taking measures to secure the health and safety of the workmen and the production of coal in the district.

N.B.—It is suggested that the mining districts be :—

1. Scotland, East.
2. Scotland, West.
3. Northumberland.
4. Durham.
5. Cumberland.
6. Yorkshire.
7. Lancashire and Cheshire.
8. North Wales.
9. Nottinghamshire, Derbyshire and Leicestershire.
10. Staffordshire, Worcestershire and Shropshire.
11. Warwickshire.
12. South Wales and Monmouthshire.
13. Gloucestershire, Somersetshire.
14. Kent.

LV

The District Mining Council shall conform to any order for safety made by the Chief Inspector of Mines, or by a Divisional Mines Inspector, and shall not make an order in respect of safety which is contrary to any Act of Parliament or regulations thereunder.

LVI

Subject to the direction of the Minister of Mines the District Mining Council shall manage in its district the entire coal extraction, the regulation of output, the

discontinuance of or the opening out of mines, trial sinkings, the control of prices and the basis of wage assessment, and the distribution of coal.

LVII

In fixing the pit-head price under State ownership the following items shall be provided for :—

(*a*) a fair and just wage for all workers in the industry.
(*b*) the cost of materials, &c.
(*c*) upkeep and management, and development work.
(*d*) interest on the Bonds to be issued as the purchase price of the coal royalties and coal mines.
(*e*) the contribution towards a sinking fund to redeem the Bonds.
(*f*) a profit for national purposes.

LVIII

The District Mining Council shall be entitled to make arrangements with local authorities or with private persons (including in such term co-operative societies, companies, firms and individuals) and in country districts, if permissible, with the local railway station-master, for the sale and distribution of inland coal, and with private persons, firms and companies for the sale and distribution of export coal, and shall have power to fix from time to time the price above which coal may not be sold for household and industrial purposes.

LIX

The District Mining Council shall consist of a Chairman and Vice-Chairman, appointed by the Minister of Mines, and twelve other members. Four members shall be elected by ballot by the workers,

and the remaining eight members shall be appointed by the National Mining Council as follows :—

Four to represent consumers (of whom in iron and steel districts two at least shall represent the iron and steel trades, and in shipping districts two at least shall represent recognised coal exporters).

Two to represent the technical side of the industry, *e.g.*, mining engineering, and

Two to represent the commercial side of the industry—purchase of material and sale of output.

LX

All members shall hold office for three years, and shall be paid a salary.

LXI

The District Mining Council shall meet at least monthly, and oftener if need be.

LXII

The District Mining Council shall appoint all mine managers and all commercial mine managers within its own district.

LXIII

The District Mining Council shall appoint a commercial committee, and a commercial manager whose duty shall be, subject to the control of the commercial committee, to arrange for the purchase and supply of stores for any mine and to take steps for the disposal of the output of coal from his district.

LXIV

The contracts of employment of workmen shall embody an undertaking to be framed by the District Mining Council to the effect that no workman will, in

consequence of any dispute affecting a district, join in giving any notice to determine his contract, nor will he combine to cease work, unless and until the question in dispute has been before the District Mining Council and the National Mining Council and those Councils have failed to settle the dispute.

(iii) THE NATIONAL MINING COUNCIL

N.B.—*The object of this part of the scheme is to get a body composed of members of the District Mining Councils who shall meet at stated intervals to discuss and advise the Minister of Mines on all questions connected with the Industry. The Minister of Mines will be assisted by a Standing Committee of* 18 *members elected from and by the National Mining Council, who will meet regularly for the purpose of superintending the operations of District Mining Councils. The Minister of Mines will sit in and be responsible to Parliament.*

LXV

There shall be established a National Mining Council, which shall meet from time to time to discuss with and advise the Minister of Mines upon all questions connected with the operation and management of the industry.

LXVI

The Minister of Mines shall be appointed by the Government, and shall sit in and be responsible to Parliament. Such Minister shall superintend the operation of the District Mining Councils and shall preside over the National Mining Council.

LXVII

The National Mining Council shall be formed as follows:—Each District Mining Council shall elect

one member for every 5,000,000 tons of output, provided that every district shall elect at least one member.

LXVIII

The members shall be elected for three years and shall meet once a year in London, once a year in Edinburgh, and once a year in Cardiff and at such other times as summoned by the Minister of Mines. Members shall be entitled to their travelling expenses.

LXIX

There shall be elected from and by the members of the National Mining Council a Standing Committee of 18, six of whom shall retire each year and shall not be eligible for re-election for the next year. Six shall represent the workers, six shall represent consumers, and six the technical and commercial side of the industry.

LXX

The Minister of Mines shall be entitled, after consulting the Standing Committee, to veto any resolution come to either by a Local Mining Council or a District Mining Council, and in the event of his so doing he shall state publicly his grounds for so acting.

LXXI

No national alteration of wages shall be made without the consent both of the Minister of Mines and the Standing Committee.

LXXII

The contracts of employment of workmen shall embody an undertaking to be framed by the District Mining Council to the effect that no workman will, in consequence of any national dispute, join in giving any

notice to determine his contract, nor will he combine to cease work, unless and until the question in dispute has been before the National Mining Council and that Council has failed to settle the dispute ; provided that on the written request of 15 members of the National Mining Council the Minister of Mines shall convene a meeting of the Council within one month.

(iv) FINANCE AND PUBLICITY

LXXIII

The finances of each district shall be kept entirely separate, and a return in the approved form shall be sent to the Minister of Mines once a quarter.

LXXIV

An approved system of auditing shall be established for all accounts.

LXXV

The Treasury shall not be entitled to interfere with or to have any control over the appropriation of moneys derived from the industry. The said moneys shall be kept entirely separate and apart from other national moneys, until the profit accruing from the industry is periodically ascertained and paid into the Exchequer.

LXXVI

It being of vital importance that the Mines Department should be managed with the freedom of a private business, the present Civil Service system of selection and promotion by length of service, of grades of servants, of minuting opinions and reports from one servant to another, and of salaries and pensions, shall not apply to the servants attached to the Mines Department.

LXXVII

The Minister of Mines shall cause the following statistics to be made public :—

(*a*) the quarterly financial return from each district ;
(*b*) the output from each district ;
(*c*) the number of persons employed above and below ground ;
(*d*) the cost per ton of getting and distributing coal, showing proportion due to wages, material, management, interest, and profit ;
(*e*) the amount of coal produced per man per shift ;
(*f*) the amount of absenteeism.

LXXVIII

Pending the acquisition of the coal mines by the State, the colliery owners shall continue to have and be subject to the rights and liabilities conferred and imposed upon them by the Coal Mines Control Agreement (Confirmation) Act, 1918, or any statutory provision that may be substituted therefor as suggested in the Interim Report of the 20th March presented by me and my three colleagues, or otherwise.

(v) SAFETY, HEALTH AND RESEARCH

LXXIX

For providing for safety, health and research there shall be a corps of officers, as set out in the following paragraphs.

LXXX

For safety, the present system of Chief Inspector and Divisional Inspectors shall be continued, and such inspectors shall continue to perform the same duties

as their predecessors, but the number of inspectors shall be increased and shall be in proportion either—

(i) to the area, or

(ii) to the number of men employed, as for example, one inspector to, say, 5,000 men.

LXXXI

The appointment of such safety inspectors shall be made by the Minister of Mines, to whom the inspectors shall report and be responsible.

LXXXII

For health, there shall be appointed central and local inspectors of health as distinguished from safety, who shall be charged with the superintendence of the health and convalescence of colliery workers.

LXXXIII

The appointment of such health inspectors shall be made by the Minister of Mines, to whom the inspectors shall report and be responsible.

LXXXIV

For research, there shall be attached to the Ministry of Mines a Research Section for the purpose of carrying out departmental research work in safety, health and economies in mining.

LXXXV

The appointment of such research staff shall be by the Minister of Mines.

(vi) ADMIRALTY COAL

LXXXVI

The Admiralty and the War Office shall be entitled to requisition coal at any mine at a pit-head price equal to the lowest price charged to any consumer.

(vii) THE EXPORT TRADE

LXXXVII

Any person shall be entitled to purchase coal for export from any mine in the same way as he would have been entitled had such mine remained in private ownership.

LXXXVIII

The State shall not make or give any undue or unreasonable preference or advantage to, or in favour of, any particular persons desirous of purchasing coal for export, nor shall the State subject any particular person desirous of purchasing coal for export to any undue or unreasonable prejudice or disadvantage whatsoever.

LXXXIX

Any exporter to whom coal is sold for export shall divide all profits over 1*s.* per ton equally with the District Mining Council.

MISCELLANEOUS

The Interim Report of the 20th March last presented by me and my three colleagues (paragraph 15) outlined certain units of economy and of improvement which it was suggested should receive the attention of the Commission in the near future. Having regard to the magnitude and complexity of the question of nationalisation, it has been barely possible to touch upon these other matters, but I desire very briefly to report upon them as follows :—

(1) *Housing.*—This matter is in the hands of the Local Government Board and (for Scotland) the Scottish Office, with whom we have conferred and who are fully alive to the peculiar urgency of the problem in certain

mining districts. I associate myself with the remarks of my friend Sir Arthur Duckham in paragraphs xi and xii of his Report.

(2) *Baths and Drying of Clothes.*—I recommend that the Home Secretary should promote the necessary amendment in Section 77 of the Coal Mines Act, 1911, to make these facilities universal at collieries, and I have reason to believe that the Miners' Federation of Great Britain would exert very strong pressure to make their use almost as universal.

(3) *Continuity of Transport from the Colliery, and Pooling of Wagons.*—I recommend that these matters should receive the earliest possible attention from the Minister-Designate of Ways and Communications (Sir Eric Geddes) as soon as his Department is fully constituted.

(4) *Clearance.*
(5) *Reduction of Voluntary Absenteeism.*
(6) *Use of Machinery in Mines.*
Coal-cutting.
Coal-conveying.
Underground transit.
(7) *Elimination of unnecessary Distribution Costs.*—I recommend that these matters should receive the early attention of an authority having the necessary technical and commercial qualifications such as the Advisory Board of the Controller of Coal Mines and his Department.

This Report does not apply to Ireland.

The evidence will be published separately.

The learned counsel who watched the proceedings on behalf of the Royalty Owners and of the Mining Association of Great Britain on page 6 of his printed

speech formulated the question awaiting our decision as follows :—

> " What changes should in the national interest be made, and when, by legislation or otherwise, in the organisation of the coal-mining industry " ?

I agree that the question is a proper one and have endeavoured to answer it.

I desire to express my personal thanks, and the obligation I am under, to Sir Richard Redmayne and Sir Arthur Lowes Dickinson, two of our Assessors, and to Mr. Arnold McNair, our Secretary, and Mr. Gilbert Stone, our Assistant Secretary, for the great help I have received from them in the preparation of this Report and throughout the enquiry. They are Government officials and the Report does not necessarily express their views.

All of which I humbly report for Your Majesty's gracious consideration.

JOHN SANKEY.

ARNOLD D. McNAIR,
Secretary.

GILBERT STONE,
Assistant Secretary.

20th June, 1919.

APPENDIX II

BILL OF MINERS' FEDERATION

THE NATIONALISATION OF MINES AND MINERALS BILL, 1919

A BILL TO NATIONALISE THE MINES AND MINERALS OF GREAT BRITAIN AND TO PROVIDE FOR THE NATIONAL WINNING, DISTRIBUTION, AND SALE OF COAL AND OTHER MINERALS.

WHEREAS it is expedient that mines and minerals should be taken into the possession of the State.

Be it enacted by the King's Most Excellent Majesty, by and with the advice and consent of the Lords Spiritual and Temporal and Commons in this present Parliament assembled, and by the authority of the same, as follows :—

ESTABLISHMENT OF MINING COUNCIL

1. (1) For the purpose of winning, distributing, selling, and searching for coal and other minerals, there shall be established by His Majesty by Warrant under the sign manual, a Mining Council, consisting of a President and 20 members, ten of whom shall be appointed by His Majesty and ten by the Association known as the Miners' Federation of Great Britain.

(2) It shall be lawful for His Majesty, from time to time, to appoint any member of the Privy Council to be President of the Mining Council, under the name of

the Minister of Mines, to hold office during His Majesty's pleasure.

(3) The Members of the Mining Council, other than the President, shall be appointed for five years, but shall be eligible for reappointment. Provided that His Majesty or the Association known as the Miners' Federation of Great Britain respectively shall have power to remove any person appointed by them and appoint some other person in his place. On a casual vacancy occurring by reason of the death, resignation, or otherwise of any of such members or otherwise, His Majesty or the Miners' Federation of Great Britain, as the case may be, shall appoint some other person to fill the vacancy, who shall continue in office until the member in whose place he was appointed should have retired, and shall then retire. The members of the Mining Council shall devote the whole of their time to the business of the Mining Council.

Minister of Mines and Parliamentary Secretary

2. (1) The Minister of Mines and one of the Secretaries of the Mining Council (to be known as the Parliamentary Secretary and to be appointed by His Majesty) shall at the same time be capable of being elected to and of sitting in the Commons House of Parliament.

(2) The Minister of Mines shall take the oath of allegiance and official oath, and shall be deemed to be included in the First Part of the Schedule to the Promissory Oaths Act, 1868.

(3) There shall be paid out of money provided by Parliament to the Minister of Mines a salary at the rate of £2,000 a year, and to the Parliamentary Secretary a salary at the rate of £1,500 a year.

(4) The Minister of Mines and the Parliamentary Secretary shall be responsible to Parliament for the acts of the Mining Council.

OFFICERS, ETC.

3. (1) The Mining Council shall appoint a Secretary (to be known as the Permanent Secretary), and such assistant secretaries and officers and servants as the Mining Council may, with the sanction of the Treasury, determine.

(2) Subject to the provisions of Section 11 (2) of this Act, there shall be paid to the Permanent Secretary, Assistant Secretaries and other officers and servants such salaries or remuneration as the Treasury shall from time to time determine.

(3) There shall be transferred and attached to the Mining Council such of the persons employed under any Government Department or local authority in or about the execution of the powers and duties transferred by or in pursuance of this Act to the Mining Council as the Mining Council and the Government Department or local authority may with the sanction of the Treasury determine.

(4) Notwithstanding anything in any Act, order, or regulation, any society of workers, all or some of whose members are wholly or partly employed in or about mines, or in any other manner employed by the Minister of Mines, or the Mining Council, or a District Mining Council, or Pit Council, or otherwise under this Act, may be registered or constitute themselves to be a Trade Union, and may do anything individually or in combination which the members of a Trade Union or a Trade Union may lawfully do. Provided further that notwithstanding any Act, order, or regulation to the contrary, it shall be lawful for any person employed under this Act to participate in any civil or political action in like manner as if such person were not employed by His Majesty, or by any authority on his behalf.

Provided, further, that no such person shall suffer dismissal or any deprivation of any kind as a consequence of any political or industrial action, not directly

forbidden by the terms of his employment, or as a consequence of participation in a strike or trade dispute.

CONSTITUTION OF MINING COUNCIL

4. (1) The Mining Council shall be a Corporation to be known by the name of the Mining Council and by that name shall have perpetual succession, and may acquire and hold land without licence in mortmain.

(2) The Mining Council shall have an official seal, which shall be officially and publicly noticed, and such seal shall be authenticated by the Mining Council or a secretary or one of the assistant secretaries, or some person authorised to act on their behalf.

(3) The Mining Council may sue and be sued without further description under that title.

(4) Every document purporting to be an order, licence, or other instrument issued by the Mining Council, and to be sealed with their seal, authenticated in manner provided by this Act, or to be signed by a secretary or by one of the assistant secretaries, or any person authorised to act, shall be received in evidence and be deemed to be such order, licence, or other instrument without further proof unless the contrary is shown.

(5) Any person having authority in that behalf, either general or special, under the seal of the Mining Council may, on behalf of the Mining Council, give any notice or make any claim, demand, entry, or distress, which the Mining Council in its corporate capacity or otherwise might give or make, and every such notice, claim, demand, entry, and distress shall be deemed to have been given and made by the Mining Council.

(6) Every deed, instrument, bill, cheque, receipt, or other document, made or executed for the purpose of the Mining Council by, to, or with the Mining Council, or any officer of the Mining Council, shall be exempt from any stamp duty imposed by any Act, past or future, except where that duty is declared by the document, or by some memorandum endorsed thereon,

to be payable by some person other than the Mining Council, and except so far as any future Act specifically charges the duty.

TRANSFERENCE OF MINES AND MINERALS TO MINING COUNCIL

5. (1) On and after the appointed day, save as in Sub-Section 3 of this Section, provided—

(*a*) Every colliery and mine (including all mines, quarries and open workings of ironstone, shale, fireclay and limestone, and every other mine regulated under the Metalliferous Mines Regulation Acts, 1872 and 1875, but not including mines, quarries, or open workings of minerals specified in the First Schedule to this Act), whether in actual work, or discontinued, or exhausted, or abandoned, and every shaft, pit, borehole, level, or inclined plane, whether in course of being made or driven for commencing or opening any such colliery or mine, or otherwise, and all associated properties (including vessels, lighters, railway rolling stock, and all works, including works for the manufacture of bye-products, in the opinion of the Mining Council belonging to any mine undertaking or connected with any colliery or mine, and every house belonging to the owners of any such colliery or mine, which, in the opinion of the Mining Council, is usually occupied by workmen employed at such colliery or mine), (all of which are herein included in the expression "mine"); and

(*b*) all coal, anthracite, lignite, ironstone, shale fireclay, limestone, or other mineral, excepting the minerals specified in the First Schedule to this Act, whether at present being worked or not worked, or connected or not connected with any mine, beneath the surface of the ground (all of which are herein included in the expression "minerals"); and

(*c*) all rights and easements arising out of or necessary to the working of any mine or the winning of any mineral, including all mineral wayleaves, whether air-leaves or water-leaves, or rights to use a shaft, or ventilation or drainage or other royalties, lordships, or rights in connection therewith, whether above or below the ground (all of which are herein included in the expression "rights").

shall be transferred to, vested in and held by the Mining Council in their corporate capacity in perpetuity, and shall for all purposes be deemed to be royal mines, and the minerals and rights thereof respectively.

(2) The Acts contained in the Second Schedule to this Act are hereby repealed.

(3) Provided that the Mining Council may at any time before the appointed day give notice in writing to the owner of, or person interested in, any mine or minerals or rights, disclaiming, during the period of such disclaimer, all or part of the property in such mine or minerals or rights to the extent specified in the notice, and thereafter such mine or minerals or rights shall, until such time as the Mining Council shall otherwise determine, to the extent specified in such notice, not vest in the Mining Council as provided by Sub-Section (1) of this section. Provided that in such case it shall not be lawful for any person other than the Mining Council, without the permission of the Mining Council, to work such mine or minerals in any way. Provided further that on the termination of such disclaimer by the Mining Council, such mine or minerals or rights shall, to the extent of such notice, as from such date as the notice may prescribe, vest in the Mining Council as if such notice of disclaimer had not been given.

Purchase of Mines

6. The Mining Council shall purchase the mines of Great Britain in them vested by this Act (other than

those which are the property of the Crown at the time of the passing of this Act or which have been disclaimed in whole or in part in accordance with Section 5 (3) of this Act) at the price and in the manner provided by this Act. Provided always that the value of any rights as defined by Section 5 (1) (*c*) of this Act shall not be taken into account in computing such price, for all of which no compensation shall be paid.

Mines Commissioners

7. (1) For the purpose of assessing the purchase price of mines it shall be lawful for His Majesty, by warrants under the sign manual, to appoint ten Commissioners, to be styled the Mines Purchase Commissioners (herein called the Commissioners) of whom one, appointed by His Majesty, shall be Chairman.

(2) Three of the said Commissioners shall be nominated by the Association known as the Miners' Federation of Great Britain, and three by the Association known as the Mining Association of Great Britain.

(3) At the expiration of twelve months from the passing of this Act, in the event of a majority of the Commissioners failing to agree as to the purchase price of a particular mine or of its associated properties, it shall be lawful for the Chairman himself to fix the purchase price of such mine, which price shall then be deemed to be the price fixed by the Commissioners, but, save as herein expressly provided, the finding of a majority of the Commissioners voting on any question or as to the purchase price of mines shall be final and conclusive and binding on all parties.

(4) It shall be lawful for His Majesty to remove any Commissioner for inability or misbehaviour. Every order of removal shall state the reasons for which it is made, and no such order shall come into operation until it has lain before the Houses of Parliament for not less than thirty days while Parliament is sitting.

(5) The Commissioners may appoint and employ

such assessors, accountants, surveyors, valuers, clerks, messengers, and other persons required for the due performance of their duties as the Treasury on the recommendation of the Commissioners may sanction.

(6) There shall be paid to the Commissioners and to each of the persons appointed or employed under this section such salary or remuneration as the Treasury may sanction; and all such salaries and remuneration and the expenses of the Commission incurred in the execution of their duties, to such amount as may be sanctioned by the Treasury, shall be paid out of moneys provided by Parliament.

Valuation of Mines

8. (1) The Commissioners shall, as soon as may be after the passing of this Act, cause a valuation to be made of all mines other than those disclaimed, whether or not developed or working or abandoned or exhausted, in Great Britain, showing what on August 4th, 1914, and what at the date of the passing of this Act was respectively the total ascertained value of each mine and its associated properties and the rights, as defined by Section 5 (1) (*c*) of this Act, therein, and the total ascertained value of such mine and its associated properties respectively exclusive of such rights; and the owner of every mine and any person receiving any rents, interest, or profit from any mine or possessed of any rights therein or connected therewith, on being required by notice by the Commissioners, shall furnish to the Commissioners a return containing such particulars as the Commissioners may require as to his property, rent, interest, profits, or rights in such mine.

(2) The Commissioners may likewise cause any mine to be inspected, require the production of documents, or do any other thing which may, in their opinion, be necessary to fix the purchase price of the mine or its associated properties.

(3) The Commissioners in making such valuation shall have regard to returns made under any statute

imposing duties or taxes or other obligations in respect of mines, or minerals or rights, and to any information given before or to any Commission or Government Department, including the Coal Industry Commission constituted under the Coal Industry Commission Act, 1919.

Ascertainment of Purchase Price

9. (1) The purchase price of mines exclusive of associated properties (other than mines in the possession of the Crown at the time of the passing of this Act shall be computed subject to the provisions of sub-sections (2) and (3) of this section by ascertaining the average annual number of tons of minerals actually raised during the five years preceding August 4th, 1914 :

Provided that as regards coal-mines in no case shall the maximum purchase price, exclusive of associated properties, be taken to be more than the following :

	s.	d.	
When 100,000 tons or less have been raised per annum on the average during such five preceding years, a capital sum equal to one such year's output at	12	0	per ton
When more than 100,000 tons have been raised per annum on the average during such five preceding years, a capital sum equal to one such year's output at	10	0	per ton

(2) The Commissioners in arriving at such computation shall also have regard to the actual gross and net profits which have been made in the mine during such years or thereafter and to the amounts which may have been set aside from time to time for depreciation, renewals, or development, and to the probable duration of the life of the mine, and to the nature and condition of such mine, and to the state of repairs thereof, and to the assets and liabilities of any mine undertaking existing at the time of purchase

which are transferable to the Mining Council under section 16 of this Act.

(3) Provided further that where a coal-mine, in the opinion of the Commissioners, has not been fully developed, the amount which would be raised under full development without any increase of capital expenditure shall be taken as the average annual number of tons raised, and the maximum purchase price in such case shall be taken to be a capital sum equal to the product of such number of tons and 12s. or 10s. per ton respectively, for the purpose of ascertaining the maximum value per ton under subsection (1) of this section.

Issue of State Mines Stock

10. (1) The purchase price of any mine and such of its associated properties as have been purchased, as ascertained under the provisions of this Act, shall be paid by the Mining Council in mines purchase stock to the persons who, in the opinion of the Mining Council, have established their title to such stock. Provided that an appeal shall lie to the High Court under rules to be framed by the High Court from the decision of the Mining Council as to the title of any such persons, but for no other purpose.

(2) For the purpose of paying such purchase price the Treasury shall, on the request of the Mining Council, by warrant addressed to the Bank of England, direct the creation of a new capital stock (to be called "Guaranteed State Mines Stock"), and in this Act referred to as "the stock," yielding interest at the rate on the nominal amount of capital equal to that payable at the date on which this Act received Royal Assent on what, in the opinion of the Treasury, is the nearest equivalent Government Loan Stock.

(3) Interest shall be payable by equal half yearly or quarterly dividends at such times in each year as may be fixed by the warrant first creating the stock.

(4) The stock shall be redeemed at the rate of one

hundred pounds sterling for every one hundred pounds of stock at such times and by such drawings as the Treasury, on the recommendation of the Mining Council may think fit.

(5) The stock may be issued at such times and in such amounts and subject to such conditions as the Treasury may direct, and may be issued as bearer bonds with quarterly or half yearly interest coupons attached.

(6) The stock shall be transferable in the books of the Bank of England in like manner as other stock is transferable under the National Debt Act, 1870.

Powers of Mining Council

11. (1) Subject to the provisions of this Act, it shall be lawful for the Mining Council to open and work mines and search for, dig, bore, win and deal with minerals and generally to carry on the industry of mining, distributing, vending, and exporting together with all other industries carried on in connection therewith. Provided that it shall not be lawful for the Mining Council to lease or sell any mine or minerals or rights to any person, association, or corporation.

(2) The Mining Council may, from time to time, in such manner and on such terms as they think fit—

(*a*) subject to the general consent of the Treasury, appoint or continue in employment or dismiss managers, engineers, agents, clerks, workmen, servants, and other persons ; and

(*b*) construct, erect or purchase, lease, or otherwise acquire buildings, plant, machinery, railways, tramways, hulks, ships, and other fixed or movable appliances or works of any description, and sell or otherwise dispose of the same when no longer required ; and

(*c*) sell, supply, and deliver fuel, coal and other products, the result of mining operations, either within or without the realm ; and

(*d*) enter into and enforce contracts and engagements ; and

(*e*) generally do anything that the owner of a mine might lawfully do in the working of the mine, or that is authorised by regulations under this Act or by this Act ; and

(*f*) employ local authorities for any purpose they may think necessary to carry out their duties under this Act, on such terms as may be mutually agreed.

(3) In addition to the powers conferred on the Mining Council by the last preceding sub-section, the Mining Council may, in such manner as they think fit, work any railway, tramway, hulk, ship, or other appliance for the purpose of winning, supplying, and delivering coal or other products.

(4) The Mining Council may compulsorily purchase land or acquire such rights over land as they may require for the purpose of this Act, and shall have, with regard to the compulsory purchase of land, all the powers of purchasers acting under the Land Clauses Act, 1845, and the Land Clauses Consolidation (Scotland) Act, 1845, or any other Act giving power to acquire land compulsorily for public purposes, which may hereafter be enacted.

(5) With respect to any such purchase of land under the Land Clauses Acts in Great Britain the following provisions shall have effect (that is to say) :—

(*a*) The Land Clauses Acts shall be incorporated with this Act, except the provisions relating to access to the special Act, and in construing those Acts for the purposes of this section " the special Act " shall be construed to mean this Act, and " the promotors of the undertaking " shall be construed to mean the Mining Council, and " land " shall be construed to have the meaning given to it by this Act.

(*b*) The bond required by Section 85 of the

Lands Clauses Consolidation Act, 1845, and by Section 84 of the Lands Clauses Consolidation (Scotland) Act, 1845, shall be under the seal of the Mining Council, and shall be sufficient without sureties.

DISTRICT MINING COUNCILS AND PIT COUNCILS

12. (1) The Mining Council shall, for the purpose of the carrying on and development of the mining industry, divide Great Britain into districts, and shall in each district constitute a District Mining Council of ten members, half of which shall be appointed by the Miners' Federation of Great Britain.

(2) The Mining Council may delegate to any District Mining Council or Pit Council, such of their powers under this Act as may conveniently be exercised locally, and the District Mining Council shall upon such delegation have and exercise within their district all the powers and duties of the Mining Council as may be delegated to them.

(3) A District Mining Council shall, subject to the approval of the Mining Council, have power within their area to appoint Pit Councils for each mine or group of mines, composed of ten members, half of which shall be members of the Miners' Federation of Great Britain, and nominated by the workers of the mine or groups of mines aforesaid, and the District Mining Council may delegate to such Pit Council such of their powers concerning the immediate working or management of a particular mine or group of mines as the District Mining Council may, subject to the approval of the Mining Council, think fit.

(4) The members of District Mining Councils shall be appointed for three years, but shall be eligible for reappointment, and the members of Pit Councils shall be appointed for one year, but shall be eligible for reappointment.

Fuel Consumers' Council and Advisory Conference

13. (1) For the purpose of advising the Mining Council it shall be lawful for His Majesty to appoint persons, to represent the interests of consumers, to be known as the Fuel Consumers' Council.

(2) The Mining Council shall have power to convoke at such time as they think fit and under such regulations and conditions as they may prescribe advisory conferences of representatives of District Mining Councils, and the District Mining Councils shall have power in like manner to convoke advisory conferences of Pit Councils within their area.

(3) The expenses of the Fuel Consumers' Council, National and District Mining Conferences shall, subject to the approval of the Treasury, be paid by the Mining Council.

Payment of Mining Council and District Mining Committees and Pit Councils

14. There shall be paid to each of the members of the Mining Council, other than the President, such salary as the Treasury may determine, and to the members of the District Mining Councils, and to the Pit Councils, such salaries and emoluments as the Mining Council, with the consent of the Treasury may determine.

Accounts

15. (1) The Mining Council shall cause full and faithful accounts to be kept of all moneys received and expended under this Act, and of all assets and liabilities and of all profits and losses, and shall annually lay such accounts before Parliament.

(2) The Mining Council shall annually cause a balance-sheet of accounts to be made, including a

capital account and a profit and loss account for each mine worked under this Act.

(3) Such balance-sheet and statement shall be so prepared as to show fully and faithfully the financial position of each such mine, and the financial result of its operations for the year.

(4) All moneys raised under the authority of this Act shall, as and when raised, and all other moneys received hereunder shall, as and when received, be paid into a separate account called " The National Mines Account."

(5) All moneys withdrawn from the National Mines Account constituted under this Act shall be withdrawn only by the order of the Mining Council or such other person as the Mining Council may from time to time appoint.

(6) All moneys in the National Mines Account, or payable into that account by any person whomsoever, and also all moneys owing by any person under this Act, are hereby declared to be the property of the Crown, and recoverable accordingly as from debtors to the Crown.

TRANSFERENCE OF EXISTING ASSETS AND LIABILITIES

16. (1) There shall be transferred to the Mining Council all the existing assets and liabilities of mine undertakings and associated properties, as and when they are transferred to and vested in the Mining Council, other than liabilities for rights including royalty rents, wayleave rents, or any other underground rents or charges, payable or due at the time of the passing of this Act to any person, all of which shall cease to be payable on and after the appointed day.

(2) On the passing of this Act, there shall be ascertained by the Commissioners the amount of all moneys due to or from all mine undertakings, and the findings of the Commissioners as to the amount of such moneys shall be binding and conclusive on all parties.

(3) The net amount of all moneys due to any mine undertaking, after all debts due from any such undertaking have been deducted, as ascertained under Sub-section (2) of this section, shall be paid by the Mining Council to the persons to whom in the opinion of the Commissioners such debts are due, and shall be deemed to be expenses incurred under this Act. Provided that an appeal shall lie to the High Court, under rules to be framed by the High Court, from the decision of the Commissioners as to the title of any such person, but for no other purpose.

Payments out of Moneys provided by Parliament

17. (1) All sums expended or payable under this Act in carrying out the provisions of this Act for expenses, or for salaries or wages payable under this Act, or in the construction, erection, or acquisition of buildings, plant, machinery, railways, tramways, hulks, ships, or other appliances or works, or otherwise, shall be payable out of moneys provided by Parliament.

(2) Provided that moneys received under this Act in respect of the sale or export or supply of coal or other minerals (including the moneys received from the Government Departments) may be directly expended in or towards carrying out the purposes of this Act.

Payment out of Consolidated Fund

18. After full provision has been made for all outgoings, losses, and liabilities for the year (including interest on securities created and issued in respect of moneys raised as aforesaid, and on moneys paid out of the Consolidated Fund), the net surplus profits then remaining shall be applied in establishing a sinking fund and, subject thereto, in establishing a depreciation fund in respect of capital expended.

Regulations

19. (1) The Mining Council may, from time to time, make such regulations as they think necessary for any of the following purposes :—

(*a*) The management of mines under this Act ;

(*b*) the functions, duties, and powers of the District Mining Councils, Pit Councils, and other bodies or persons acting in the management and working of mines or distribution and sale of fuel under this Act ;

(*c*) the form of the accounts to be kept and the balance sheets to be prepared in respect of mines under this Act ;

(*d*) the mode in which the sinking funds and other funds connected with mines under this Act shall be held and administered ;

(*e*) generally any other purpose for which, in the opinion of the Mining Council, regulations are contemplated or required.

(2) The Mining Council, before making or altering any regulations or conditions of employment, including wages, as affect workmen engaged in the mining industry, shall consult with the association known as the Miners' Federation of Great Britain, and, in the event of such representatives and the Mining Council failing to agree, the matter in dispute may be referred to arbitration on such terms as may be mutually agreed.

(3) Provided that nothing in this section shall be deemed to interfere with the right of any employed person, subject to his contractual obligations, to dispose of his labour as he wills.

Statutory Regulations

20. (1) Every mine worked under this Act shall be managed and worked subject to the provisions of the Metalliferous Mines Regulations Acts, 1872 and 1875, the Coal Mines Regulation Act, 1908, the Coal Mines

Act, 1911, and any other Act regulating the hours, wages, or conditions of labour in mines.

(2) There shall be transferred to and be vested in the Mining Council all the powers and duties of the Secretary of State and of any other Government Department imposed upon them by the Metalliferous Mines Regulations Acts, 1872 and 1875, the Coal Mines Regulation Act, 1908, the Coal Mines Act, 1911, or any other Act regulating or affecting mines or the hours or conditions of labour therein.

Duty of Mining Council to supply Coal

21. (1) It shall be the duty of the Mining Council to ensure that there is a sufficient supply of fuel at reasonable prices throughout Great Britain, and for this purpose it shall be lawful for the Mining Council, or for any local authority or Government Department acting on their behalf, to establish stores and depots and to employ vehicles and to use all other necessary means for the selling of fuel and to sell fuel within the area of every local authority, and, further, for this purpose it shall be the duty of the railway companies or authorities of Great Britain to provide such facilities for the conveyance of fuel as the Mining Council may deem necessary to enable them to carry out the duties imposed upon them by this section at rates not greater than such railway companies or authorities are now entitled to charge for the conveyance of fuel.

(2) Where the Mining Council delegates to any local authority all or any of their powers under this section, it shall be lawful for such local authority to exercise all or any of the powers of the Mining Council so delegated to them.

(3) All moneys had and received or expended by a local authority under this section shall be deemed to be had and received or expended on behalf of the Mining Council.

Title and Commencement

22. This Act may be cited as the Nationalisation of Mines and Minerals Act, 1919, and this Act and the Metalliferous Mines Regulations Acts, 1872 and 1875, and the Coal Mines Regulation Acts, 1887 and 1908, and the Coal Mines Act, 1911, may be cited together as the Mines Acts, 1872–1919, and shall come into operation on the first day of the second month, which shall be the appointed day, after the passing of this Act, and, save in the case of disclaimer, all valuations, purchase, and transference of mines and minerals to the Mining Council, and all other arrangements for the carrying out of this Act shall be concluded on or before the first day of the second year after the coming into operation of this Act.

23. This Act shall not apply to Ireland.

FIRST SCHEDULE.

Minerals excluded from this Act :—

Sandstone.	Slate.	Building Clay.
Granite.	Chalk.	Gravel and Sand.
Cherts.	Flints.	Igneous Rocks.

SECOND SCHEDULE.

Enactments Repealed

Session and Chapter.	Title or Short Title.	Extent of Repeal.
1 William and Mary, ch. 30.	An Act to repeal the statute made in the fifth year of King Henry IV. against multiplying gold and silver.	The Whole Act
5 William and Mary, ch. 6.	An Act to prevent disputes and controversies concerning Royal Mines.	The Whole Act
55 George III., ch. 134.	An Act for altering the rate at which the Crown may exercise its right of pre-emption of Ore in which there is lead.	The Whole Act
1 James I. of Scotland, ch. 12	Mines of Gold and Silver pertains to the King.	The Whole Act
12 James VI. of Scotland, ch.31.	Anent the Tenth Part of Mynis.	The Whole Act

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